

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. 1 on H.B. No. 1975**

The purpose of this bill is to assist residents of the Hamakua Coast on the Island of Hawaii affected by the recent closing of the Hamakua Sugar Company.

Upon further consideration, your Committee has decided that a more prudent course of action is to provide assistance to continue the operations of the Hamakua Sugar Company. Therefore, your Committee has amended this measure by deleting the various appropriations that provided for the housing, health, employment, and other needs of the Hamakua residents and adding new language authorizing the Board of Agriculture to guarantee loans from private lending institutions to assist Hamakua Sugar Company.

As amended, this bill authorizes the State to guarantee an independent commercial line of credit, up to the amount of \$8,000,000, to a court-appointed trustee, receiver, or other responsible party for Hamakua Sugar Company, Inc., so that the trustee, receiver, or other responsible party can commence and conclude a 14-month harvest of the Hamakua sugar crop, and thereby obtain the economic and other benefits of that final harvest. Repayment of the loan should be made out of the proceeds of the sugar crop and other assets, the value of which will be enhanced if the crop is harvested. If the loan is secured by superpriority liens on the crop and other assets in a manner which is acceptable to the Board of Agriculture, your Committee believes that the loan will permit the State, without incurring a substantial risk of loss, to assist in maintaining employment in the Hamakua community and will also avoid a loss of tax revenues, reduce public outlays and social service expenses arising from immediate unemployment, and save other expenses which would result from a sudden disruption of the economic community at Hamakua. Facilitating the final harvest will allow those concerned a 14-month period to plan for the economic transition of the Hamakua community.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1975, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1975, H.D. 2, S.D. 1, C.D. 1.

Representatives Say, Stegmaier, Chang, Tajiri and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Kanno, Levin, Matsuura, Solomon and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 2 on H.B. No. 1975**

The purpose of this bill is to assist residents of the Hamakua Coast of the Island of Hawaii by authorizing the State to guarantee loans made from private lending institutions to continue the operations of the Hamakua Sugar Company.

Specifically, this bill authorized the State to guarantee an independent commercial line of credit, up to the amount of \$8,000,000, to a court-appointed Trustee, Receiver, or Other Responsible Party for Hamakua Sugar Company, Inc., so that the Trustee, Receiver, or Other Responsible Party could commence and conclude a 14-month harvest of the Hamakua sugar crop, and thereby obtain the economic and other benefits of that final harvest. This bill also authorized and directed the Director of Budget and Finance to establish a Hamakua Sugar Loan Guarantee fund and to transfer to such fund the sum of \$800,000, from the general fund.

If the loan is secured by superpriority liens on the crop and other assets in a manner which is acceptable to the Board of Agriculture, your Committee believes that the loan would permit the State, without incurring a substantial risk of loss, to assist in maintaining employment in the Hamakua community and would also avoid a loss of tax revenues, reduce public outlays and social service expenses arising from immediate unemployment, and save other expenses which would result from a sudden disruption of the economic community at Hamakua.

Your Committee has received a message from the Governor requesting the Legislature to immediately consider and pass this measure.

Accordingly, your Committee has amended this bill by:

- (1) Adding a new section which states that this bill is recommended by the Governor for immediate passage in accordance with Article VII, Section 9, of the State Constitution;
- (2) Clarifying the provisions of the Guarantee Fund by:
  - (A) Creating the Hamakua Sugar Loan Guarantee Trust Fund to serve as the reserve for all loans guaranteed under this bill and deleting the authority of the Director of Budget and Finance to establish the Fund; and
  - (B) Appropriating \$800,000 in general fund revenues for Fiscal Year 1992-1993 to be deposited into the Hamakua Sugar Loan Guarantee trust fund and deleting references to transfer of such funds by the Director of Budget and Finance;
- (3) Adding a new section specifying the dollar amount and percentage that the appropriation contained in this bill will cause the state general fund expenditure ceiling to be exceeded; and

- (4) Making technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1975, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1975, H.D. 2, S.D. 1, C.D. 2.

Representatives Say, Stegmaier, Chang, Tajiri and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Kanno, Levin, Matsuura, Solomon and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 3 on S.B. No. 1770**

The purposes of this bill are to:

- (1) Add a housing advocacy component to the Housing Finance and Development Corporation's (HFDC) Housing Information System; and
- (2) Establish that the buyback lien of the HFDC be superior to any other mortgage or lien, except any first mortgage created for the purpose of enabling the purchasers to obtain funds for the purchase of the unit and any other mortgages made with the approval and consent of the HFDC.

Your Committee is aware that H.B. No. 1411, H.D. 1, S.D. 1 has passed the Legislature on April 20, 1993. That bill contains substantive provisions virtually identical to the provisions of this bill with respect to establishing the superiority of HFDC's buyback lien. Accordingly, your Committee has amended this bill to delete all language relating to HFDC's buyback lien.

Your Committee has retained that portion of this bill which adds a housing advocacy component to HFDC's Housing Information System. Although aware of current budget and staffing constraints, your Committee believes that the Housing Advocacy and Information System created herein is integral to the success of affordable housing efforts in this State. It is therefore the intent of your Committee that HFDC explore and develop the housing advocacy component to the extent possible within current levels of funding established for the Housing Advocacy and Information System, with implementation upon the receipt of necessary staff and financial resources.

Your Committee on Conference is in accord with the intent and purpose of S.B. 1770, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1770, H.D. 2, C.D. 1.

Representatives Isbell, Say, Nakasone and Marumoto,  
Managers on the part of the House.

Senators George, Kanno and Tungpalan,  
Managers on the part of the Senate.

**Conf. Com. Rep. 4 on S.B. No. 126**

The purpose of this bill is to regulate the practice of physical therapy.

This bill would regulate the practice of physical therapy by:

- (1) Prohibiting physical therapists from using invasive procedures;
- (2) Extending the Board of Physical Therapy's sunset provision to December 31, 1999;
- (3) Increasing the membership of the Board of Physical Therapy from five members to seven members through the addition of one additional physical therapist and one additional consumer member; and
- (4) Repealing section 416J-4(c).

Your Committee has amended this bill by deleting the repeal of section 416J-4(c), which provides for the procedure to fill a vacancy on the Board of Physical Therapy.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 126, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 126, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Hirono, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, B. Kobayashi and McCartney,  
Managers on the part of the Senate.

**Conf. Com. Rep. 5 on H.B. No. 1975**

The purpose of this bill is to authorize the State to guarantee an independent commercial line of credit, up to \$8,000,000, to allow a court-appointed Trustee, Receiver, or Other Responsible Operator for Hamakua Sugar Company, Inc., to commence and conclude a 14-month harvest of the Hamakua sugar crop, and thereby obtain the economic and other benefits of that final harvest to assist residents of the Hamakua Coast of the Island of Hawaii.

If the loan is secured by superpriority liens on the crop and other assets in a manner which is acceptable to the Board of Agriculture, your Committee believes that the loan would permit the State, without incurring a substantial risk of loss, to assist in maintaining employment in the Hamakua community and would also avoid a loss of tax revenues, reduce public outlays and social service expenses arising from immediate unemployment, and save other expenses which would result from a sudden disruption of the economic community at Hamakua.

Your Committee has been informed by the Department of Budget and Finance of the Administration's oversight in not submitting the necessary language mandated by the State Constitution relating to the effect this loan guarantee will have on the determination of the power of the State to issue general obligation bonds.

Accordingly, your Committee has amended this bill by inserting language that this bill will not cause the State debt limit to be exceeded by explaining the portion of the amount derived from the issuance of bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1975, H.D. 2, S.D. 1, C.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1975, H.D. 2, S.D. 1, C.D. 3.

Representatives Say, Stegmaier, Chang, Tajiri and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Kanno, Levin, Matsuura, Solomon and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 6 on H.B. No. 1582**

The purpose of this bill is to delete the requirement for a certificate of sanitation for animal food manufacturers by deleting provisions in Chapter 159, Hawaii Revised Statutes (HRS), the Hawaii Meat Inspection Act, that relate to the inspection of animal food manufacturers.

It is your Committee's understanding that:

- (1) Currently, no animals are being slaughtered for the manufacture of animal food in the State;
- (2) The Federal Meat Inspection Act does not provide for the inspection of animal food manufacture; and
- (3) Should inspection of animal food manufacture become necessary, the state Department of Health will provide inspection under Chapter 328, HRS.

Your Committee has amended this bill by deleting repetition of the word "any" from page 4, line 1, of the S.D. 1 draft version of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1582, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1582, S.D. 1, C.D. 1.

Representatives M. Ige, Chang, Morihara and Marumoto,  
Managers on the part of the House.

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

**Conf. Com. Rep. 7 on H.B. No. 690**

The purpose of this bill is to establish a new chapter on cooperative housing corporations setting forth requirements pertaining to articles of incorporation, bylaws, use of corporate equity, registration, administration, and arbitration.

Upon further consideration, your Committee has adopted the Senate version of H.B. No. 690 with the following amendments:

- (1) Allowing a shareholder's spouse or a trust beneficiary of a trust of which a shareholder is a trustee to serve as a member of the board;
- (2) Specifying that the Hawaii Business Corporation Act, Chapter 415, Hawaii Revised Statutes, shall apply to cooperative housing corporations, except to the extent that its provisions are inconsistent with the Act; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 690, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 690, H.D. 1, S.D. 1, C.D. 1.

Representatives Isbell, Bunda, Herkes, Santiago and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, Matsunaga, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 8 on H.B. No. 313**

The purposes of this bill are to require time share owners associations to adopt an annual budget, to require an annual independent audit of an association's financial accounts, and to extend the regulation of time sharing plans.

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

- (1) Changing the heading of the section added to Chapter 514E, Hawaii Revised Statutes, from "Plan management" to "Time share owners association; budgets and reserves";
- (2) Requiring that the proposed audit be done by a public accountant, rather than a certified public accountant;
- (3) Deleting language pertaining to the renewal and termination of plan managers' employment contracts; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 313, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 313, H.D. 1, S.D. 1, C.D. 1.

Representatives Isbell, Bunda, Amaral, Santiago and O'Kieffe,  
Managers on the part of the House.

Senators Ikeda, Iwase, B. Kobayashi, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 9 on H.B. No. 1606**

The purpose of this bill is to amend Chapter 227D, Hawaii Revised Statutes, to expand and clarify the powers and duties of the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that due to the recent merger of the Natural Energy Laboratory of Hawaii and the Hawaii Ocean Science and Technology Park, the powers and duties of the Natural Energy Laboratory of Hawaii Authority require clarification and expansion.

It is your Committee's intent that the Board of Directors of the Authority formulate language regarding the education/visitor center (center). The center should provide visitors a comfortable educational experience by having available such facilities as restrooms, a waiting area, a food stand, and other appropriate amenities in keeping with the educational content of the center.

Your Committee has amended this bill by adding a comma between the word time and modify on page 6, line 3. Your Committee has also made other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1606, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1606, S.D. 1, C.D. 1.

Representatives Bainum, Stegmaier, Morihara, Nekoba and Thielen,  
Managers on the part of the House.

Senators A. Kobayashi, Matsunaga, Kanno, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 10 on H.B. No. 118**

The purpose of this bill is to allow public utilities to recover the capital cost and operating expenses for the first two years of providing statewide enhanced 911 emergency telephone service through a telephone line surcharge or the next rate case. After two years the remaining capital costs and any additional costs shall be added to the rate base and recovered through local telephone rates.

Your Committee finds that it has become increasingly important for all islands to have enhanced 911 capability that will allow for the identification of the telephone number and address of a caller through a computer display to an operator. This capability is especially important in cases where the caller is not able to identify their location. Currently, the

islands of Oahu and Hawaii have the enhanced 911 system. The islands of Kauai and Maui have only the basic 911 system.

In deliberating over this bill in conference, concern was expressed regarding the fairness of imposing a surcharge of uniform amount upon all telephone ratepayers in the State because the service seems to be county-specific. The cost of providing enhanced 911 service varies from county to county and a uniform charge would have Oahu ratepayers carrying a burden that may be unreasonable or unfair. In light of the many factors that affect the setting of rates, your Committee believes it would be prudent to confer upon the Public Utilities Commission the discretion to consider alternative surcharge designs and to select a fair and reasonable enhanced 911 surcharge structure.

Your Committee has amended this bill by permitting the public utilities to recover the capital costs and associated expenses through a telephone line surcharge for the first year of providing such service, rather than the first two years, and specifying that enhanced 911 services shall be made available within one year from the effective date of the Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 118, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 118, S.D. 1, C.D. 1.

Representatives Taniguchi, Bunda, Oshiro, Takumi and Thielen,  
Managers on the part of the House.

Senators Matsunaga, Levin and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 11 on H.B. No. 52**

The purpose of this bill is to amend the Hawaii Rules of Evidence by:

- (1) Correcting a clerical error in Rule 608;
- (2) Providing for the admission of televised testimony of a child abuse victim in Rule 616; and
- (3) Creating a new child abuse victim hearsay exception in Rule 804.

Your Committee finds that the language appearing in the bill at page 8, line 19 regarding "strong assurances of trustworthiness" is meant to be equivalent to "so reliable that cross-examination does not appear necessary," as mentioned in Standing Committee Report No. 1116.

Your Committee has agreed to the language in House Bill No. 52, H.D. 1, S.D. 1 with the following additional amendments:

- (1) Changed the title of the new rule Rule 616, located at page 4, line 11 from "Televised testimony of child abuse complainant" to "Televised testimony of child." Your Committee finds that the use of the term "victim," as proposed by the House, and the term "complainant," as proposed by the Senate, may be inappropriate;
- (2) Changed the language located at page 4, lines 13-14 from "sixteen years of age at the time of the testimony" to "eighteen years of age at the time of the testimony." Your Committee finds that persons, who are minors when the offense is committed, may be adults when the trial occurs. Since this bill seeks to treat minors differently from adults, your Committee has decided to use the age of eighteen, since this is when the law provides that a minor becomes an adult; and
- (3) Changed the language located at page 8, line 13 from "Statement by child-abuse complainant" to "Statement by child." Please see the rationale discussed in section (1) immediately above.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 52, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 52, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Chun, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 12 on H.B. No. 944**

The purpose of this bill is to amend section 134-6, Hawaii Revised Statutes (HRS), to clarify that this section was not intended to apply to certain felonies, that already have enhanced penalties for identical conduct. Also, the bill provides that when drug felonies are involved and a firearm is possessed with intent to facilitate the drug offense, section 134, HRS, can be applied and a class A felony charge is appropriate.

Your Committee has amended this measure as follows:

- (1) Amended subsection 134-6(b), HRS, by substituting the phrase "involving the distribution of a controlled substance" for the phrase "defined in chapter 712, part IV." Since chapter 712, part IV involves both crimes

of possession and distribution, your Committee wished to limit this subsection to drug crimes involving distribution and not mere possession;

- (2) Amended subsection 134-6(e), HRS, by clarifying that persons violating either subsection (a) or (b) shall be guilty of a class A felony;
- (3) Added a new subsection 134-6(f), HRS, so as to include definitions for the words "controlled substance" and "distribution" that are now found in subsection 134-6(b), HRS. The definition of "controlled substance" under this section is meant to be the same as the definition found in section 329-1, HRS. The definition for "distribution" was taken from the definition "to distribute" found in section 712-1240, HRS.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 944, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 944, S.D. 1, C.D. 1.

Representatives Tom, Cachola, Peters and Thielen,  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 13 on H.B. No. 210**

The purpose of this bill is to delete language which permits the court to dispense with the consent to adoption of an adjudicated or presumed father who has not submitted a petition for adoption or whose petition has been denied.

Your Committee finds that adjudicated and presumed fathers need not file adoption petitions because they have legally recognized relationships with the child. Also, your Committee finds that the terms adjudicated and presumed were previously deleted by SLH 1986, Act 201, but were inadvertently and erroneously re-inserted by SLH 1992, Act 190.

Your Committee has agreed to adopt the language in H.B. No. 210, H.D. 1, S.D. 2 with an amendment to add the word "or" between subparagraphs 2(C) and (D) of §571-61, which was inadvertently omitted from the Senate version of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 210, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 210, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 14 on H.B. No. 1655**

The purpose of this bill is to amend Section 328K-1 of the Hawaii Revised Statutes in order to clarify the definition of the term "restaurant".

It was noted by your Committee that smoking is not only a health hazard to the smoker, but also to the nonsmoker nearby exposed to second hand smoke. It was further recognized that under current statute, restaurants are a subcategory of the larger class of food service establishments, which are currently authorized under the Department of Health under Chapter 1-A of the Sanitation Code.

In addition, it was recognized that by amending Section 328K-1 of the Hawaii Revised Statutes, the intent of this section would become clearer to the public, and to operators of food service establishments, who are required to comply with the provisions in Section 328K-1 of the Hawaii Revised Statutes.

After careful consideration, your Committee has agreed to adopt H.B. No. 1655, H.D. 1 with no further amendments to the House Draft.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1655, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1655, H.D. 1, S.D. 1, C.D. 1.

Representatives Duldulao, Stegmaier, Oshiro and Thielen,  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 15 on H.B. No. 1899**

The purposes of this bill are:

- (1) To enable the Department of Health (Department) to provide vaccines for administration to the general public by public and private health care providers;
- (2) To grant residential caregivers the authority to give consent for immunization of a minor or incompetent person if consent of the parent or guardian is unobtainable;
- (3) To grant a responsible adult the authority to give consent for immunization of a minor or incompetent person if consent of the parent, guardian, caregiver, or non-custodial parent is unobtainable;
- (4) To add hepatitis B, rubella, and haemophilus influenzae type B to the list of communicable diseases for which the Department may provide for immunization, and to delete small pox from that list.

Your Committee notes that, currently, an alarming percentage of the population who should be getting vaccinated are not because of financial eligibility restrictions.

Further, your Committee realizes that enactment of this bill will result in lower vaccination costs and an increased immunization rate. This would be a great advantage to all persons involved.

After careful consideration, your Committee has amended this bill as follows:

- (1) In the title of Section 325-36, Hawaii Revised Statutes, the term "responsible adult" has been changed to "caregiver" because it was felt that "responsible adult" was too broad, and that authority to give consent to an immunization should be limited to caregivers; and
- (2) Subsection (d) has been eliminated because it deals with the authority of a "responsible adult" to give consent to an immunization.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1899, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1899, H.D. 2, S.D. 1, C.D. 1.

Representatives Duldulao, Kawakami, Pepper and O'Kieffe,  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 16 on H.B. No. 2029**

The purposes of this bill are to:

- (1) Place a member of the State Council on Mental Health on the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (HACDACS);
- (2) Place a representative from the Department of Health on HACDACS as an ex-officio member;
- (3) Increase the membership of the State Council on Mental Health from fifteen to twenty-one members;
- (4) Designate the membership composition of the State Council on Mental Health; and
- (5) Explicitly describe the background of service area residents who shall be responsible for providing a list to the Governor from which service area board vacancies may be filled.

Your Committee finds that much confusion exists on the roles and functions of HACDACS and the State Council on Mental Health and Substance Abuse. This bill will not only reduce confusion, but it will also reduce duplication of functions between the two organizations.

Your Committee notes that this bill will ensure that the views and concerns of the general public and consumers, especially adults with serious mental illness, children with serious emotional disturbances, and individuals with combined mental illness-substance abuse disorders, are considered. It was also determined that this bill will bring Hawaii's laws into conformity with federal block grant requirements.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2029, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2029, H.D. 2, S.D. 1, C.D. 1.

Representatives Duldulao, Tajiri, Isbell, Tam and Marumoto,  
Managers on the part of the House.

Senators B. Kobayashi, Nakasato and Reed,

Managers on the part of the Senate.

**Conf. Com. Rep. 17 on H.B. No. 883**

The purpose of this bill is to extend from June 30, 1993 to June 30, 1996, the operation of the community-based teenage health clinic demonstration project established pursuant to Act 162, Session Laws of Hawaii 1990.

Your Committee recognizes that many adolescents in Hawaii have little or no family support, are so alienated that they cannot participate in existing programs or services, or may have needs that these existing resources cannot meet. Your Committee also recognizes that many of these youths feel safer on the streets than they do living at home and that a great number of these youths congregate in the Waikiki area because of the ease of blending into such a congested area.

Your Committee further notes that the community based teenage health clinic demonstration project, known as "YO", has been operating as an outreach program of the Waikiki Health Center and Hale Kipa. The demonstration project has the ability to reach young people, and provide basic primary and preventive health care and treatment and ancillary social services. Your Committee acknowledges the fact that since its inception this program has assisted approximately 500 individuals for a total of 6,500 encounters.

After further consideration, your Committee has agreed to adopt H.B. No. 883, H.D. 1, retaining the repeal date of June 30, 1995. Your Committee has made no amendments to the House Draft.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 883, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 883, H.D. 1, S.D. 2, C.D. 1.

Representatives Duldulao, Say, Arakaki and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Kanno, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 18 on H.B. No. 1721**

The purpose of this bill is to expand the scope of, and strengthen the Coastal Zone Management Program by providing for greater public participation in the Program's planning and review process, adding point and nonpoint source pollution to the hazards to be regulated, and adding beach protection and the regulation of erosion-protection structures to the policies to be furthered by implementing agencies.

Your Committee finds that specific provision needs to be made for public participation in the Coastal Zone Management Program, as well as for beach protection. Your Committee also notes that point and nonpoint source pollution have been recognized as coastal hazards.

Your Committee has amended this bill by:

- (1) Removing a Senate amendment to Section 205A-2(b)(1)(A), Hawaii Revised Statutes (HRS), which referred to surfing sites;
- (2) Adding the term "pollution" to 205A-2(a)(6)(A);
- (3) Including point source pollution to the coastal pollution control program to be developed under 205A-2(c)(6)(E);
- (4) Adding "seaward of the shoreline" to 205A-2(c)(9)(C);
- (5) Reinserting language amending Section 205A-22 to add a definition of "department," and broadening the definition originally proposed by the House, by providing that county councils may designate the appropriate agency;
- (6) Reinserting language deleting the definitions of "authority" and "department" and expanding the definition of "shoreline area" in 205A-41;
- (7) Deleting Senate amendments to 205A-46(a)(2) which would not allow variances to be granted to structures or activities related to aquaculture which adversely affect beach processes or artificially fix the shoreline; and
- (8) Deleting Senate amendments to 205A-46(a)(9) which would not allow variances to be granted to private facilities that adversely change the existing shoreline of neighboring properties.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1721, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1721, H.D. 1, S.D. 1, C.D. 1.

Representatives Hiraki, Apo, Beirne, Hirono and Thielen,  
Managers on the part of the House.

Senators Iwase, Hagino, Holt, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 19 on H.B. No. 1597**

The purpose of this bill is to amend Chapter 353, Hawaii Revised Statutes (HRS), by adding a new section that provides for orders to make inmates pay child support. Also, this bill amends Section 353-22, HRS, so that inmates' earnings are not exempt from garnishment for child support payments. This measure will facilitate the payment of child support from the inmates' individual trust accounts, that are maintained by the Director of Public Safety for inmates confined in correctional institutions in Hawaii.

Your Committee has amended this measure by adopting the House's version of this bill, contained in House Draft 1 of this measure. Thus, when the new deposits and credits to an inmate's trust account exceeds \$15 in a given month, no more than thirty per cent of the total new deposits or credits shall be paid for child support for that month.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1597, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1597, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Koki, Blair and Grauly,  
Managers on the part of the Senate.

**Conf. Com. Rep. 20 on H.B. No. 920**

The purpose of the bill is to permit persons, upon marriage, wider latitude in choosing a middle and last name.

Your Committee finds that upon marriage many persons wish to take names not presently permitted by statute. At the same time your Committee finds that some limits should be placed on the choice of names, for there is no required publication of the new name in the newspaper, nor is there a requirement that the change of name be recorded at the Bureau of Conveyances.

Your Committee has therefore amended this bill by restricting the name change to any middle or last name legally used at any time, past or present, by either spouse, or any combination of such names, which may, but need not, be separated by a hyphen. Regarding combined names, the word "combination" should not be misconstrued, as it is not your Committee's intention to permit anagrams, but rather combination of names with each letter in a name remaining in its proper order.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 920, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 920, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Hirono and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 21 on H.B. No. 200**

The purpose of this bill is to amend Section 612-17, Hawaii Revised Statutes, to eliminate the requirement that trial jurors be assembled in panels of eighteen. Additionally, this bill amends Sections 612-15, 612-17, 612-18, and 612-26, to eliminate references to jury panels, and to make other technical and non-substantive changes. Lastly, the bill changes the trial jury service year to a calendar year and changes the method of storing trial juror names and qualifications forms.

Your Committee finds that the current law, requiring jury panels of eighteen jurors, serves no useful purpose and adds to the workload of the jury pool staff. Additionally, it wastes jurors' time by requiring courts to order jurors by panels of eighteen rather than ordering the specific number of jurors needed.

Your Committee has made a technical, non-substantive amendment to H.B. No. 200, S.D. 1, by removing a pair of brackets.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 200, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 200, S.D. 1, C.D. 1.

Representatives Menor, Amaral, Takamine and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 22 on H.B. No. 1594**

The purpose of this bill is to clarify the circumstances under which an agency may disclose, to another government agency, government records that are protected from public disclosure; to clarify that criminal history record information is not exempt from access by the individual to whom it pertains; and to clarify that the exceptions set forth in section 92F-13, Hawaii Revised Statutes, apply only to requests under part II of chapter 92F.

Your Committee has agreed to adopt the language in H.B. No. 1594, S.D. 1, with an amendment to clarify that information may be disclosed in certain circumstances to line agency personnel offices. Your Committee has adopted this additional language with the intent that it serve to encompass the State Employees' Retirement System and the Hawaii Public Employee's Health Fund within the term 'employee benefits and assistance programs' to enable the Department of Personnel Services to obtain such employee data for developing employee assistance programs.

Other technical, non-substantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1594, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1594, S.D. 1, C.D. 1.

Representatives Tom, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 23 on H.B. No. 534**

The purpose of the bill is to include a butterfly knife as a dangerous weapon under §134-51 of the Hawaii Revised Statutes.

The Hawaii Supreme Court in the case entitled In re Doe, 73 Haw. 89, 820 P.2d 272 (1992) ruled that a butterfly knife was not a switchblade knife prohibited under section 134-52, as a butterfly knife opens manually rather than automatically. Your Committee finds that the butterfly knife is a weapon which can be opened with speed and ease and the need to ensure public safety requires the inclusion of the butterfly knife among those weapons classified as dangerous.

Your Committee has amended H.B. No. 534 S.D. 1, to provide that the act shall take effect upon approval. Your Committee believes that these weapons should be removed from circulation at the earliest possible date and that there is sufficient time for the public to learn of the proposed prohibition while the Governor considers the approval of the measure.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 534, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 534, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral, Herkes and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 24 on H.B. No. 1598**

The purpose of this bill is to make technical changes to Sections 576E-1, 576E-2, 576E-5, 576E-10, and 576E-16, Hawaii Revised Statutes, in order to comply with federal law. The federal mandate is found in Title 42, United States Code, Sections 654(5) and 654(6), whereby the State Child Support Enforcement Agency is required to collect spousal support from obligors, who have been ordered to pay both child and spousal support to an obligee who is living with the dependent child.

Your Committee finds that this bill clarifies the existing child support enforcement statute by implementing and harmonizing the federal mandate.

Your Committee has amended H.B. No. 1598, S.D. 1, by eliminating the asterisk appearing on page 2, line 17.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1598, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1598, S.D. 1, C.D. 1.

Representatives Tom, Chun and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 25 on H.B. No. 1062**

The purpose of this bill is to conform the definition of blood alcohol concentration, constituting the offense of driving under the influence of intoxicating liquor, §291-4 Hawaii Revised Statutes, with that of the administrative revocation law, §286-251.

Your Committee finds that an amendment to H.B. No. 1062, H.D. 1, S.D. 1, is appropriate to conform to the level of grams of alcohol (.10) as is presently contained in the administrative revocation law.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1062, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1062, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Oshiro and Marumoto,  
Managers on the part of the House.

Senators Levin, Nakasato, Blair and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 26 on H.B. No. 1363**

The purpose of this bill is to establish a family practice residency program in the University of Hawaii's School of Medicine. The bill also establishes a two-year rural health care training demonstration project, and a family practice ambulatory health center at the "old" Hilo hospital site.

Your Committee finds that there is a need for health care providers in rural areas of the state, and notes that the Legislature has included \$200,000 for the projects established in this bill in the State budget.

Your Committee believes that the state commitment to family practice residency programs demonstrated by this bill also will greatly help existing programs, such as the one at Wahiawa General Hospital that is already affiliated with the University of Hawaii School of Medicine. In prior testimony before the Legislature, hospital officials stated that every \$1 of state funding may bring in another \$2 from charitable gifts.

Upon consideration, your Committee has amended the bill by:

- (1) Deleting all provisions pertaining to appropriations; and
- (2) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1363, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1363, H.D. 2, S.D. 1, C.D. 1.

Representatives Lee, Duldulao, Chang and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Tungpalan, B. Kobayashi, Levin and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 27 on H.B. No. 1739**

The purposes of this bill are to establish:

- (1) The Fee for Enhanced Services Program (Program) to allow the Hawaii State Public Library System to charge fees for certain services; and
- (2) A special fund to be known as the "Library Fee for Enhanced Services Special Fund" into which moneys collected from the Program shall be deposited.

Your Committee has amended this bill by changing the effective date of this Act to "upon approval". Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

In previous hearings on this bill, the issue of waiving fees for those unable to pay arose. Your Committee believes that the Board of Education should explore this issue, and if it appears to warrant action, should implement a policy administratively.

The Committee would like to reaffirm its commitment to the basic principle of a free library system, and equal access for all citizens to the resources therein. It is not the Committee's intent to deprive any resident of Hawaii of essential library services.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1739, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1739, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Say, Chumbley and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Fukunaga, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 28 on H.B. No. 2012**

The purpose of this bill is to allow the Department of Education to establish and maintain the price of a school lunch at one-third the cost of preparing the lunch, rounded up to the nearest five cents.

Your Committee notes that, based on projections of the cost to prepare lunch, the price will change as follows under two alternate scenarios:

<u>Year</u>	<u>Round up to nearest nickel</u>	<u>Round to nearest quarter</u>
1993	\$0.70	\$0.75
1995	\$0.80	\$0.75
1997	\$0.85	\$0.75
1999	\$0.95	\$1.00

Besides maintaining relative price stability, rounding the price of a school lunch to the nearest quarter also would reduce coin and currency handling.

Upon consideration, your Committee has amended the bill by:

- (1) Specifying that the price shall be rounded to the nearest quarter; and
- (2) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2012, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2012, H.D. 2, S.D. 1, C.D. 1.

Representatives D. Ige, Kawakami, Chumbley, Lee and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Fukunaga, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 29 on H.B. No. 361**

The purpose of this bill is to:

- (1) Combine provisions regulating precursors to controlled substances with provisions regulating precursors to the manufacture of methamphetamine; and
- (2) Allow disclosure, to authorized agencies, of precursor chemical records and information.

Your Committee has made a technical change to the bill on account of an apparent typographical error. In Section 3, page 3, line 8, your Committee changed \$10,000 to \$100,000 to reflect the present language of the law.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 361, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 361, S.D. 1, C.D. 1.

Representatives Tom, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 30 on H.B. No. 782**

The purpose of this bill is to amend Chapter 571, Hawaii Revised Statutes (HRS), by adding a new Section that permits grandparents to petition the family court for reasonable visitation rights. The court may award reasonable visitation rights, provided that certain criteria are met.

Your Committee wishes to provide a specific mechanism for grandparents to seek visitation when two circumstances are met:

- (1) Either or both of the child's parents are deceased; or
- (2) The child's parents are divorced or residing separate and apart.

This measure is not meant to restrict, in any manner, a grandparent's rights or remedies regarding visitation pursuant to Section 571-46(7), HRS. Rather, this bill is in recognition of an ambiguity in 571-46(7) as to whether an independent action can be brought by a grandparent when a parent has died and hence no divorce, separation, annulment, or separate maintenance proceeding is pending. Your Committee intends, with this bill, to resolve that ambiguity in favor of grandparents, and to leave it to the Courts to determine whether 571-46(7) also allows an independent action by grandparents when parents are living together and no action for divorce, separation, annulment, or separate maintenance is pending.

Accordingly, your Committee has amended this bill by:

- (1) Adopting the language in House Draft 1 rather than the language in Senate Draft 1. The language in House Draft 1 shows that the grandparent's visitation under this bill is limited to the two circumstances discussed above. The language in Senate Draft 1 is much broader, permitting grandparents to file a petition for visitation at any time. Since your Committee wanted to adopt language that was in addition to existing rights and remedies under 571-46(7), HRS, the House Draft 1 language was adopted; and
- (2) Adding the phrase "In addition to the rights and remedies provided in 571-46(7)" on page 1, line 5 of this bill. Although your Committee believes that the rights and remedies afforded to grandparents under 571-46(7), HRS, are very broad, your Committee wanted to make very clear that grandparents would be permitted visitation under the two circumstances mentioned in this measure also.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 782, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 782, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Takamine and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 31 on H.B. No. 568**

The purpose of the bill is to amend section 571-46(9), Hawaii Revised Statutes (HRS), to require the court to write a decision, explaining the reasons why it has granted custody to a person against whom there is evidence of family violence. Additionally, if there is evidence of family violence, an award of joint custody or any grant of visitation shall be arranged so as to best protect the child or abused parent from further harm.

Your Committee has amended this measure as follows:

1. Deleted the words "past or present" from 571-46(9), HRS. If the court considers evidence of family violence, it is implied that such evidence will include past or present family violence;
2. Added language to 571-46(9), HRS, that the court consider such additional factors as who was the primary aggressor and the frequency and degree of family violence in determining the best interests of the child when establishing custody and visitation rights.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 568, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 568, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Hirono and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly, Matsunaga and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 32 on H.B. No. 2032**

The purpose of this bill is to extend the autonomous operation of the community hospitals for another three years, until June 30, 1996, allowing the Department of Health to formulate policies for the autonomous operation of Hilo Hospital, Kauai Veterans Memorial Hospital, Kona Hospital, Leahi Hospital, Maluhia Hospital, Maui Memorial Hospital, and Samuel Mahelona Memorial Hospital.

Your Committee noted that autonomous operations currently in existence at Kona, Hilo, and Maui Memorial Hospitals have greatly improved management of these facilities, especially in the areas of purchasing and personnel management, and reduced overhead costs, and improved patient care.

It is felt by your Committee that by extending the autonomous program for another three years, as well as by including other community hospitals in the project, vast improvements to the hospital system can be made which will be beneficial to all parties involved.

After careful consideration, your Committee has agreed to adopt HB 2032 HD1, retaining the dates specified in the House Draft, and making several nonsubstantive amendments for the purposes of clarity, style and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2032, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2032, H.D. 1, S.D. 2, C.D. 1.

Representatives Duldulao, Say, Pepper, Tajiri and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Levin, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 33 on H.B. No. 6**

The purpose of this bill is to establish an interim task force to attract and retain qualified individuals for the Hawaii National Guard. The task force shall study and determine the feasibility and propriety of granting preference in civil service employment to individuals with ten or more years of service in the Hawaii National Guard.

Upon careful consideration, your Committee has amended this measure by increasing the members on the task force from seven to eleven. The task force shall be chaired by the Adjutant General and one member shall be appointed by each of the following:

- (1) Adjutant general;
- (2) Speaker of the House of Representatives;
- (3) President of the Senate;
- (4) Director of Personnel Services;
- (5) Conference of Personnel Directors;
- (6) Director of Taxation;
- (7) President of the University of Hawaii;
- (8) Housing Finance and Development Corporation;
- (9) State of Hawaii Organization of Police Officers; and
- (10) Hawaii Employer's Council.

Your Committee notes that the Adjutant General's office shall provide support staff.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 6, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 6, S.D. 1, C.D. 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward,  
Managers on the part of the House.

Senators McCartney, Iwase, Kanno, Graulty and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 34 on H.B. No. 1661**

The purpose of this bill is to clarify that a circuit court may render a judgment to enforce a workers' compensation decision made by the Director of Labor and Industrial Relations.

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

- (1) Changing the phrase, "awarding compensation, penalty or other remedies" to read, "assessing penalties, or awarding compensation or other relief, including attorneys fees", and inserting the phrase, "assessing penalties, or awarding compensation or other relief, including attorneys fees" wherever appropriate for purposes of consistency; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1661, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1661, H.D. 1, S.D. 1, C.D. 1.

Representatives Yonamine, Tom, Menor, Takumi and Ward,  
Managers on the part of the House.

Senators Levin, McCartney, Blair, Graulty, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 35 on H.B. No. 1662**

The purpose of this bill is to authorize the Director of Labor and Industrial Relations to assess administrative penalties for persons claiming unapproved fees under the Worker's Compensation Law. In addition, this measure eliminates imprisonment as a sanction for persons who violate Section 386-94, Hawaii Revised Statutes, and establishes a fine as an administrative penalty.

Upon careful consideration, your Committee has amended this bill by making several nonsubstantive, technical changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1662, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1662, H.D. 1, S.D. 1, C.D. 1.

Representatives Yonamine, Tom, Takamine, Taniguchi and Thielen,  
Managers on the part of the House.

Senators Levin, McCartney, Blair, Grauly, Kanno and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 36 on H.B. No. 251**

The purpose of this bill is to strengthen, liberalize, and clarify the Hawaii Right to Farm Act, Chapter 165, Hawaii Revised Statutes (HRS).

Specifically, this bill amends Chapter 165, HRS, by:

- (1) Specifying that any action alleging a farming operation to be a nuisance as defined in Section 165-2, HRS, shall be governed by Section 607-14.5, HRS, which relates to attorneys' fees in civil actions;
- (2) Clarifying the definitions:
  - (a) "Established date of operation" to mean the date on which the original farming operation first commenced operation. However, if the physical facilities of the farming operation are subsequently expanded or new technology adopted, the established date of operation for each change shall be the same as the established date of operation for the original operation, provided that it does not violate existing state law or county ordinances; and
  - (b) "Farming operation" to include marketed produce at roadside stands or farm markets; noises, odors, dust, and fumes emanating from a commercial agricultural or an aquacultural facility or pursuit; operation of machinery and irrigation pumps; ground and aerial seeding and spraying; the application of chemical fertilizers, conditioners, insecticides, pesticides and herbicides; and the employment and use of labor; and
- (3) Deleting the definition of "expansion".

For clarification, your Committee would like it noted that zoning is included under county ordinances.

Upon careful consideration, your Committee has amended this bill by deleting the language "in an area zoned by the county for agricultural use" from the definition of "farming operation".

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

Representatives M. Ige, Tom, Chumbley, Takamine and Marumoto,  
Managers on the part of the House.

Senators Levin, Kanno, Blair, Grauly and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 37 on H.B. No. 1897**

The purposes of this bill are to:

- (1) Update several statutory citations under Chapter 201E, Hawaii Revised Statutes;
- (2) Redirect the Housing Finance and Development Corporation's (HFDC) efforts toward the development of multi-family housing and affordable rental housing;
- (3) Establish provisions for the indemnification of any county upon dedication of any housing project developed under Act 15, Session Laws of Hawaii, 1988 (Act 15); and

- (4) Allow the HFDC to continue certain specified projects through completion, and construct, renovate, or otherwise improve land, public facilities, and dwelling units, utilizing the provisions of Act 15, notwithstanding the automatic repeal of that Act on April 20, 1993.

Your Committee strongly believes that any permanent solution to Hawaii's affordable housing crisis must provide an appropriate balance among three concerns, which may, in the short term, be in conflict: (1) the State's abiding interest in increasing the supply of reasonably-priced housing statewide; (2) each county's interest in maintaining control over those aspects of housing development for which, at some future date, it may be held liable; and (3) the interest of Hawaii's citizens in the availability of safe, well-constructed, affordable housing.

While Act 15 served a necessary function at the time it was implemented, your Committee feels that Chapter 201E is the appropriate permanent vehicle for the development of affordable housing. Under Chapter 201E, the counties' right to inspect and approve projects constructed within their respective jurisdictions shall be restored.

However, because there are a number of projects either currently under construction or for which binding contracts have been executed under Act 15, your Committee has listed specific projects and phases of multiple-phase projects which will be permitted to proceed under Act 15 notwithstanding its repeal. All other projects and phases of multiple-phase projects must comply with Chapter 201E, Hawaii Revised Statutes.

With respect to housing projects currently subject to the provisions of Act 15, your Committee believes that it is inequitable for the counties to be forced to assume liability resulting from developments over which they were not able to exercise control. Accordingly, your Committee has retained the provisions relating to the indemnification of the individual counties for injuries or damages arising as a result of the application of Act 15 provisions to housing projects and their attendant public facilities. Indemnification is not provided where the injury or damage is due to negligent maintenance or routine maintenance by the county of any Act 15 public facility.

Your Committee notes that two clarifying amendments requested by HFDC relating to applicable standards to be used as a guide in the State and county review process and the shortening of the time frame in which the Land Use Commission has to publish notices of hearings of boundary changes, purport to amend Act 15, which was repealed by operation of law on April 20, 1993. It is your Committee's intent that these amendments be applicable to the projects listed in this bill which were commenced under Act 15 prior to its repeal. Accordingly, your Committee has amended the effective date of this Act to April 15, 1993, in order that there be no question as to the applicability of these amendments to that class of projects.

With respect to the faculty housing at the University of Hawaii at Manoa, your Committee has received written assurances from HFDC that it will put its very best effort into providing additional parking stalls for that project. HFDC has committed to explore various alternatives to accomplish this undertaking, including the acquisition of adjacent State-owned lands or the use thereof, and redesigning of the parking area. Based on those assurances, your Committee has included the UH Manoa Faculty Housing Project as one which will be permitted to proceed under the provisions of Act 15.

Your Committee is aware of prevailing public opinion regarding non-bid contracts entered into by the State and its various agencies. Your Committee feels that it is in the best interests of the people of the State that HFDC be subject to competitive bidding laws in situations where requests for proposals are not utilized. Because HFDC is charged with the task of providing reasonably priced housing in the State, your Committee feels that increased competition among eligible developers and providers of services and materials will not only be advantageous for the State, but will also serve to restore a measure of public confidence in the procurement process.

Upon further consideration, your Committee has adopted the Senate version of H.B. No. 1897 with the following amendments:

- (1) Requiring any reconstruction of Act 15 projects to conform with applicable zoning, subdivision, and building ordinances of the appropriate county to the extent not covered in the project certification under Act 15;
- (2) Allowing Puukoli Village in Lahaina and with respect to the Villages of Kapolei in Ewa, those portions of Villages 5 and 6 consisting of single family and rental dwelling units and Villages 7 and 8, to be certified under the provisions of Act 15 for parcel subdivision by land uses (large lot subdivision) only;
- (3) Adding a provision stating that any action taken pursuant to Act 15 by HFDC with respect to any project not specifically listed in this Act is void;
- (4) Adding a severability clause; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee feels that this measure, as amended, is directed toward a comprehensive, fair and permanent balance between the state and the individual counties in the development of affordable housing.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1897, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1897, H.D. 1, S.D. 2, C.D. 1.

Representatives Isbell, Taniguchi, Tom, Herkes, Santiago and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, George, Tungpalan, Kanno and McCartney,

Managers on the part of the Senate.

**Conf. Com. Rep. 38 on H.B. No. 951**

The purpose of this bill is to amend Act 278, Session Laws of Hawaii 1991, to authorize the issuance of special purpose revenue bonds to assist ETV Hawaii/Elephant Television, Inc., as an industrial enterprise instead of a processing enterprise. This bill also extends the authority to issue special purpose revenue bonds from 1993 to 1998.

Your Committee finds that in order to classify ETV Hawaii/Elephant Television, Inc. as an industrial enterprise, it must have production purposes. Thus, your Committee has amended this bill by inserting the word "and" between "production training" found on page 1, line 5 and page 2, line 12 in S.D. 2. The phrase would then read "production and training" instead of "production training".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 951, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 951, H.D. 1, S.D. 2, C.D. 1.

Representatives Stegmaier, Alcon, Morihara and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Matsunaga, Matsuura, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 39 on H.B. No. 187**

The purpose of this bill is to allow the Governor and the county mayors to establish within their respective jurisdictions a leave sharing program that permits employees to donate sick leave credits to another employee in the same jurisdiction who has a serious personal illness or injury.

Your Committee has amended this bill as follows:

- (1) Allows employees to donate accumulated vacation leave credits;
- (2) Where an employee is not entitled to vacation leave credits, allows accumulated sick leave credits to be donated;
- (3) Requires the eligible recipient to exhaust or be about to exhaust all vacation leave, sick leave, and compensatory time credits;
- (4) Requires the eligible recipient's illness or injury to be certified by a competent medical examiner as:
  - (a) serious; and
  - (b) the cause of the recipient's inability to work; and
- (5) Changes the sunset date of this Act from 1999 to 1996.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 187, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 187, H.D. 2, S.D. 1, C.D. 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Fukunaga, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 40 on H.B. No. 1671**

The purpose of this bill is to:

- (1) Prohibit the release of non-native fish and other aquatic organisms into State waters;
- (2) Prohibit the intentional taking, breaking, or damaging of coral;
- (3) Prohibit noncommercial aquarium fish collectors from taking more than five fish or aquatic organisms per person per day; and
- (4) Provide penalties for the release of non-native fish or aquatic life into State waters or for taking or damaging stony coral.

Your Committee finds that this bill will protect the State's precious ocean and marine environment. Due to the recent increase in the number of aquarium fish and other aquatic life released into the wild, several alien species have become established in State waters, thereby affecting our delicate ecosystem.

This bill will aid the Department of Land and Natural Resources in enforcing confiscation of non-native specimens and in preventing their release into State waters. Furthermore, this bill will complement the Department of Agriculture's existing program dealing with alien or illegal species.

Your Committee amended this bill by:

- (1) deleting "commercial" from "Commercial aquarium fish collectors", on page 2, line 19;
- (2) substituting "use nets of smaller mesh, but not throw nets," for "fine meshed traps, or fine meshed nets other than throw nets" on page 2, line 21;
- (3) replacing "to take" with "to fish for" on page 2, line 21.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1671, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1671, H.D. 2, S.D. 2, C.D. 1.

Representatives Hiraki, Bainum, Takamine and Thielen,  
Managers on the part of the House.

Senators Levin, Iwase, Blair, Grauly and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 41 on H.B. No. 1459**

The purposes of this bill are to:

- (1) Increase the membership of the Board of Trustees of the Employees' Retirement System (Board) to eight members, one of whom shall be a retirant;
- (2) Require investment earnings in excess of the investment yield to be used to accelerate liquidation of the unfunded accrued liability; and
- (3) Appropriate general revenues to carry out the purposes of this Act.

Your Committee finds that with nearly 22,000 retirants currently receiving benefits, it is time for these members to have direct representation on the Board.

Your Committee has amended this bill by deleting Sections 3 and 4 of this bill which require excess investment earnings to be used to accelerate liquidation of the unfunded accrued liability and which appropriate money to carry out the purposes of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1459, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1459, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Fukunaga, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 42 on H.B. No. 539**

The purpose of this bill is to require the Department of Human Services to establish a standard admission policy and procedure for patients that are admitted to adult residential care homes. This would include full disclosure, to the operator, of the patient's medical history prior to the admission of any patient.

Your Committee finds that requiring disclosure of all appropriate medical and personal history of a patient to the operator of a care home, prior to the referral of a patient to a care home, is more equitable than requiring the information to be disclosed prior to the admission of the patient to a care home.

Upon further consideration, your Committee on Conference has amended this measure by requiring disclosure of appropriate medical and personal history prior to the referral of the patient.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 539, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 539, S.D. 1, C.D. 1.

Representatives Chun, Duldulao, Arakaki, Santiago and O'Kieffe,

Managers on the part of the House.

Senators Grauly, Blair, Fernandes Salling, Hagino and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 43 on H.B. No. 1589**

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

Your Committee has amended this bill by:

- (1) Adding the claim of Spear v. Waihee, No. 84-1104, as advised in the memorandum dated April 26, 1993, addressed to your Committee from the Department of the Attorney General;
- (2) Inserting the amount of \$1,943,659.99 and the percentage of 0.062 that the appropriations contained in this Act will cause the State general fund expenditure ceiling to be exceeded; and
- (3) Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1589, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1589, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Kawakami, Nakasone and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Blair, Hagino and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 44 on H.B. No. 220**

The purpose of this bill is to provide that the Firefighter's Contingency Fund (Fund) be funded through the general appropriations process by:

- (1) Removing the annual statutory appropriation of \$250,000 to the Fund; and
- (2) Appropriating \$1 to be deposited into the Fund for fiscal year 1993-1994.

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

- (1) Deleting the appropriation section since the moneys for the Fund have been included the Executive Budget bill (H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1); and
- (2) Making technical, nonsubstantive revisions for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 220, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 220, S.D. 1, C.D. 1.

Representatives Say, Nakasone and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Holt, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 45 on H.B. No. 1797**

The purpose of this bill is to grant the Director of Health emergency authority to ensure the uninterrupted flow of electrical service to the Hamakua region. Your Committee finds that the bill would clarify any ambiguity as to whether or not the Director of Health has the authority to transfer or modify permits or variances for air pollution, as well as enter into consent orders, schedules of compliance, and settlement agreements. The ability to do so is necessary to ensure that the Hamakua region would not be adversely affected by the shutdown of the Hamakua Sugar Plantation, which supplies the Hamakua region with a significant portion of its electrical power. The bill provides for repeal of these emergency powers as of November 1, 1993.

Your Committee has made a single amendment to the sunset provisions of the bill, which reenacted Section 342B-21, Hawaii Revised Statutes (HRS), rather than Section 342B-43, HRS.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1797, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1797, H.D. 2, S.D. 1, C.D. 1.

Representatives Bainum, Duldulao, Tom and O'Kieffe,

Managers on the part of the House.

Senators Chang, Matsunaga, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 46 on H.B. No. 1117**

The purpose of this bill is to extend the sunset date of the forfeiture law, authorizing the seizure of property in connection with criminal activity, from July 1, 1993 to July 1, 1995. Also, this bill requires a sunset evaluation report by the Legislative Auditor.

Your Committee recognizes that the forfeiture law is a powerful weapon. Although the law enforcement agencies in this state have been using this weapon in an appropriate fashion, your Committee is aware that similar laws on the Mainland have been subject to misuse. Thus, your Committee has decided to have the Legislative Auditor submit a sunset evaluation report to the Legislature no later than November 1, 1995. This evaluation shall assess whether the public interest requires that the forfeiture program be modified or repealed. Additionally, the Legislative Auditor is to make recommendations for future policies, practices, and procedures for a forfeiture program.

Your Committee has amended this bill as follows:

1. Extended the repeal date for Act 260, Session Laws of Hawaii 1988, as amended, to July 1, 1996;
2. Transferred the provision relating to the Legislative Auditor's sunset evaluation report to a new Section 2 and re-numbered subsequent sections. Your Committee felt that proper formatting would require that this language be contained in another section; and
3. Provided that the Legislative Auditor shall submit the sunset evaluation report to the Legislature no later than November 1, 1995.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1117, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1117, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral, Herkes and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 47 on H.B. No. 620**

The purpose of the bill is to allow all citizens otherwise eligible to vote, to vote by absentee ballot at their option. In addition, the bill specifies a date by which absentee polling places shall be opened.

Your Committee finds that the option to use an absentee ballot should be available to all registered voters and that provisions should be made to ensure the convenient opening of absentee polling places.

Your Committee has amended H.B. No. 620, H.B. 1, S.D. 1, by agreeing that the absentee polling places shall be open no later than eighteen days before election day, or as soon thereafter as ballots are available. Your Committee has been informed that such a time frame will not place an undue burden upon election officials. Furthermore, agreement on this time frame is based upon the understanding that absentee polling places are open six days per week, including Saturdays, and will remain so in the future.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 620, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 620, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Cachola, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 48 on H.B. No. 788**

The purpose of this bill is to require personal representatives of a decedent's estate to take measures to identify creditors of the estate and to give notice to each known creditor. The bill also provides that a personal representative is not liable to a creditor for failure to give notice and that the current limitation on presentation of claims does not apply to compensation and reimbursement of the personal representative, or the representative's attorney or accountant.

The bill brings Hawaii's probate code into compliance with constitutional due process requirements for notice to creditors when they are either known or their identity is reasonably ascertainable.

A technical, nonsubstantive amendment has been made to correct a minor drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 788, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 788, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Gaulty and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 49 on H.B. No. 2045**

The purpose of this bill is to authorize the Director of Public Safety (Director) to order the release of pretrial inmates to Department of Public Safety (DPS) programs to prevent overcrowding when a community correctional center has reached capacity.

Upon consideration, your Committee has amended this bill by:

- (1) Providing that the Director may order the release of pretrial inmates on recognizance instead of to DPS' programs. Your Committee notes that DPS does not have these programs presently; and
- (2) Amending subsection (d) regarding immunity, by providing immunity to the state, its officers, and employees for any error in judgment or discretion made in good faith and upon reasonable grounds. Your Committee did not wish to provide a blanket immunity, whereby the state, its officers, and employees would not be responsible for decisions to release inmates that were made in bad faith or upon unreasonable grounds.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2045, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2045, H.D. 1, S.D. 2, C.D. 1.

Representatives Tom, Menor, Oshiro and O'Kieffe,  
Managers on the part of the House.

Senators Levin, Koki and Gaulty,  
Managers on the part of the Senate.

**Conf. Com. Rep. 50 on H.B. No. 199**

The purpose of this bill is to amend the substance abuse testing chapter of the Hawaii Revised Statutes, Chapter 329B (Chapter 329B), by adding a new section that exempts specified testing from the requirements of that Chapter. Chapter 329B is also amended by amending the definition of "substance abuse test" and by amending the section on laboratory requirements. Additionally, this bill adds three new Sections to the Hawaii Revised Statutes relating to substance abuse testing of inmates, of parolees, and of individuals under the care and custody of the Hawaii youth correctional facility.

Your Committee finds that the bill, in its present condition, is cumbersome. It requires an amendment, with virtually the same wording, to each chapter addressing each of the affected agencies. There appears to be no significant benefit to amending the various chapters since the purpose of the bill can be accomplished by amending only Chapter 329B.

Accordingly, your Committee has eliminated Sections 1-3 of the present bill and made changes only to Chapter 329B. Also, your Committee has amended the exemption section of Chapter 329B by consolidating all affected criminal justice agencies under the fourth exemption. Finally, your Committee has made technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 199, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 199, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Herkes and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Gaulty and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 51 on S.B. No. 2**

The purpose of this bill is to allow the designation of all census tracts within the County of Kauai as a state enterprise zone.

The state enterprise zone program, established in 1986, is intended to stimulate private sector business and create jobs in areas where unemployment is 1.5 times the state average or twenty-five percent or more of the population's income is below eighty percent of the median family income of the county. Under the program, the Governor is authorized to

approve up to six areas in each county as enterprise zones for a period of twenty years. Once designated, qualified businesses within an enterprise zone would be exempt from the general excise tax and eligible to claim income tax credits for up to seven years.

Your Committee finds that the damage inflicted by Hurricane Iniki cut across the entire island of Kauai and affected all sectors of the island's economy. Your Committee believes that assistance must be provided to help the island recover from the hurricane's devastation. The designation of Kauai as an enterprise zone will help attract private sector investment and promote economic development on the island, resulting in community revitalization, growth, and expansion.

Your Committee further finds that allowing all areas of Kauai County to be eligible for enterprise zone designation will give the County increased flexibility to structure a comprehensive economic recovery effort that will meet the needs of all communities affected by this disaster.

Your Committee has amended this bill by providing that the enterprise zone designation for the County of Kauai shall remain in effect until January 1, 1996, unless the Governor determines at an earlier date that the designation is no longer necessary. Your Committee has also clarified that all Kauai census tracts are eligible for enterprise zone designation by changing the word "may" to "shall" at page 2, line 13.

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

Representatives Stegmaier, Kawakami, Kanohe, Tam and Marumoto,  
Managers on the part of the House.

Senators Iwase, Chang, Tungpalan, Fernandes Salling, Kanno and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 52 on S.B. No. 1316**

The purpose of this bill is to discourage the theft of agricultural equipment, supplies or products by increasing the penalty for that offense by reclassifying it as a class C felony.

Your Committee finds that many agricultural enterprises in the state are isolated and subject to theft. Losses from the island of Hawaii alone exceed \$200,000 per year.

Your Committee has amended the bill by making technical, and nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1316, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1316, S.D. 1, H.D. 2, C.D. 1.

Representatives M. Ige, Tom, Herkes, Morihara and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly, Matsunaga and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 53 on S.B. No. 125**

The purpose of this bill is to sunset the regulation of bail bond agents, to clarify who may serve as a bail bond agent, and to provide for fee limitations.

Your Committee, upon further consideration, has amended this bill by:

1. Retaining current provisions which would prohibit a person from becoming a bail bond agent if that person was convicted of perjury under section 804-11.5, Hawaii Revised Statutes;
2. Lowering the minimum fee to \$50; and
3. Clarifying language to ensure that a bail bond agent may not assess a fee on an annual basis that is greater than the maximum assessed in the first year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 125, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 125, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Amaral, Ishii-Morikami, Peters and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 54 on S.B. No. 536**

The purpose of this bill is to amend the definition of "rebuilt vehicle" as provided in Section 286-2, Hawaii Revised Statutes.

Specifically, the bill amends the definition of "rebuilt vehicle" by repealing the language giving a police officer the authority to declare a motor vehicle a total loss, and changes the definition of total loss to exclude damage to the engine, transmission, or suspension system of the motor vehicle.

Your Committee finds that automobiles with damage to only the engine or transmission are being labeled as total losses by insurers if the cost of repairing such automobiles exceed their value. Unlike the repair of a vehicle that sustains structural damage, an entire engine or transmission may be replaced without affecting the structural integrity of the vehicle.

The intent of the insurance salvage law is to notify prospective owners that a vehicle was repaired after being involved in an accident that resulted in structural damage to the automobile. This bill remedies the current situation where automobiles with replaced engines and transmissions are being labeled as total losses.

Your Committee has amended this bill by retaining current statutory language allowing a vehicle to be declared a total loss if there is material damage to the vehicle's suspension system.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 536, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 536, H.D. 1, C.D. 1.

Representatives Oshiro, Nakasone and Marumoto,  
Managers on the part of the House.

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

**Conf. Com. Rep. 55 on S.B. No. 819**

The purpose of this bill is to amend the laws relating to affidavits of condominium owner-occupants.

Act 50, Session Laws of Hawaii 1992, includes provisions designed to enforce condominium owner-occupancy requirements. Unfortunately, your Committee believes that Act 50 may be deterring the development of new condominium housing and making it difficult, if not impossible, for purchasers to obtain mortgages to buy these units.

Your Committee has amended this bill by requiring that the copy of the executed affidavit informing each prospective owner-occupant of their legal obligations and penalties be mailed to the owner-occupant twice, once by the sixtieth day and once by the 270th day following the conveyance of the first unit to an owner-occupant listed on the final reservation list.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 819, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 819, S.D. 1, H.D. 1, C.D. 1.

Representatives Ishii-Morikami, Herkes, Oshiro and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 56 on S.B. No. 1664**

The purpose of this bill is to strengthen the licensure requirements for acupuncturists.

Your Committee finds that the practice of acupuncture is an oriental form of medicine which is distinctly separate and apart from the practice of Western medicine. Your Committee also finds that acupuncture requires a thorough understanding of the human system and the effects of acupuncture on the human system.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1664, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1664, H.D. 1, C.D. 1.

Representatives Bunda, Cachola and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 57 on S.B. No. 3**

The purpose of this bill is to amend Chapter 223, Hawaii Revised Statutes, to clarify the State's quality growth policy and to assign the formulation of the policy to the Office of State Planning.

Your Committee believes that it is the State's responsibility to provide direction for the prudent use of Hawaii's limited land base and to guide the development of priorities that will best serve the present and future needs of Hawaii's people. Careful land use planning that includes the diversification of economic development and balanced population growth throughout the State will help promote quality growth, ensure the protection of the physical environment, increase business development and employment opportunities in nonurban areas, and help mitigate traffic congestion.

Your Committee has amended this bill by requiring that the strategic plan for quality growth include recommendations on the dispersal of economic development and population growth to prevent overpopulation or overdevelopment of any one county within the State.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3, S.D. 1, H.D. 2, C.D. 1.

Representatives Stegmaier, Taniguchi, D. Ige and Ward,  
Managers on the part of the House.

Senators Iwase, Chang, Fukunaga, Ikeda, Kanno and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 58 on S.B. No. 301**

The purpose of this bill is to transfer ownership of ten parcels of land in Waiahole-Waikane Valley from the Department of Land and Natural Resources to the Housing Finance and Development Corporation (HFDC).

If transferred, the parcels would become part of the adjacent 600 acre Waiahole Valley Agricultural Park and Residential Lots Subdivision being developed by the HFDC.

Your Committee finds that consolidation of the ten lots and the agricultural park and residential subdivision under one State agency will ensure effective master planning of the area, preserve the rural lifestyle of the community, and maintain the unity of the families in the Valley.

Your Committee has amended this bill by changing the effective date from January 1, 2000 to upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 301, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 301, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Ige, Nekoba, Say, Beirne and Marumoto,  
Managers on the part of the House.

Senators Iwase, George, Kanno, Holt and McCartney,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 59 on S.B. No. 993**

The purpose of this bill is to amend the auction prohibitions of Chapter 445, Hawaii Revised Statutes, to clarify that fish and seafood products can be sold at public auction between the hours of 9:00 p.m. and 8:00 a.m.

Upon further consideration, your Committee has amended the bill by making a technical amendment to correct a drafting error on page 3, line 13.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 993, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 993, S.D. 1, H.D. 2, C.D. 1.

Representatives M. Ige, Taniguchi, Bunda and Ward,  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 60 on S.B. No. 812**

The purpose of this bill is to provide an opportunity for the victim, or in certain cases, the victim's family, to be heard on the issue of the defendant's disposition, before sentence is imposed.

Your Committee accepted the basic structure of the House draft but amended the bill to extend the victim's right to be heard to all cases without limitation to those in which the court has ordered a pre-sentence diagnosis and report. The bill is also amended to specify that the right is available only in cases before Circuit Courts. Other technical, nonsubstantive changes were made for the purposes of clarity, consistency and style.

Your Committee is cognizant that in some instances the victim or family may be unable to personally attend a hearing. In such cases, your Committee anticipates that the court will accept and consider written statements for the purpose of allowing an opportunity to be heard.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 812, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 812, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Hirono, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly, Matsunaga and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 61 on S.B. No. 1363**

The purpose of this bill is to amend section 92F-14, Hawaii Revised Statutes (HRS), the Uniform Information Practices Act (Modified) to clarify what type of information, regarding employment-related misconduct, may be disclosed and when such disclosure may be made.

Your Committee finds that the current law regarding disclosure of public employee misconduct has led to confusion, uncertainty and controversy.

A balance needs to be drawn between the public's right to know about government functions and the public employee's right to privacy.

Your Committee notes that this measure appropriately distinguishes between minor and more serious misconduct by focusing on the disciplinary consequences, and protects the employee from the disclosure of information while formal grievance procedures are still in progress. Yet the bill also serves the public at large by refusing to provide further protection from disclosure of misconduct when the employee has exhausted non-judicial grievance procedures, and has been suspended or discharged.

Your Committee also finds that because of the unique responsibilities of police officers, special care must be taken to clearly delineate private conduct from conduct as a government employee.

Your Committee has amended the bill to make technical, nonsubstantive changes for purposes of clarity, consistency and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1363, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1363, S.D. 2, H.D. 2, C.D. 1.

Representatives Yonamine, Tom, Takamine, Takumi and Ward,  
Managers on the part of the House.

Senators Levin, McCartney, Matsunaga, Holt and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 62 on S.B. No. 14**

The purpose of the bill, as received by your Committee, was to permit deferred pleas under Chapter 853, Hawaii Revised Statutes, in first-offense prostitution cases and to prohibit expungement pursuant to Section 831-3.2 until four years following discharge. The bill also provided that a plea previously entered by a defendant under section 853-1 for prostitution should be considered a prior offense. The bill further provided that the provisions of Chapter 853, should not apply when the offense charged is promoting prostitution.

Your Committee finds a need to enlarge the scope of persons subject to increased criminal penalties for promoting teen-age prostitution. Therefore, your Committee has amended the bill to raise, from fourteen to sixteen, the age of exploited minors which would subject the perpetrator to a first degree charge for the offense of promoting prostitution.

Your Committee has further amended the bill by making technical, nonsubstantive additions for the purpose of consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 14, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 14, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Peters, Takamine and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly, Matsunaga and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 63 on S.B. No. 127**

The purpose of this bill is to extend the sunset provision for the regulation of podiatrists and to clarify examination requirements for this profession.

Your Committee has amended this bill by changing the sunset provision from 1999 to 1995. Your Committee has shortened the sunset period so that the Auditor may conduct an evaluation at an earlier date to review the regulation of this profession.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 127, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 127, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Bainum, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 64 on S.B. No. 130**

The purpose of this bill is to extend the sunset provision for the Board of Medical Examiners and to establish a physician assistants' auxiliary advisory committee.

Your Committee has amended this bill by extending the sunset of the Board of Medical Examiners to 1995. Your Committee feels that extending the Board of Medical Examiners for two years would allow the Auditor to conduct an earlier evaluation of the regulation of the various medical professions currently under the Board of Medical Examiners.

Your Committee has also amended this bill for purposes of proper drafting style and grammar which does not affect the substance. The name of the committee is changed from "physician assistants' auxiliary advisory committee" to "physician assistant advisory committee" since an advisory committee is always auxiliary anyway. The chairperson is not to be a member of the board of medical examiners to avoid any conflict of interests, which was originally expressed in the bill as "shall have no voting privileges on the board of medical examiners." That terminology implies that the chairperson be a member of the board in the first place, which is not provided for in the statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 130, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 130, H.D. 1, C.D. 1.

Representatives Bunda, Bainum, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, B. Kobayashi, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 65 on S.B. No. 191**

The purpose of the bill is to exempt volunteer firefighters and trainers of volunteer firefighters from liability except in cases of gross negligence or wanton acts or omissions. The bill also requires insurers to treat a volunteer fire department the same as a county operated fire department for purposes of ratemaking.

Your Committee finds that volunteer firefighters provide a beneficial and indispensable service to the community, especially in rural areas where the accessibility to essential and vital public services are spread out over a greater area.

Upon further consideration, your Committee has amended the bill by deleting the provisions of the bill that exempt the trainers of volunteer firefighters from liability. Your Committee has further amended the bill by adding additional provisions to the proposed subsection (d) of Section 431:14-103, Hawaii Revised Statutes, to require that, for ratemaking purposes, a volunteer firefighter be treated the same as a county employed firefighter, provided that the volunteer firefighter is attached to either a station where a commercial drivers license holder is on duty at all times, or at a station where at least four members of the volunteer firefighter unit hold commercial drivers licenses.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 191, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. 191, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Herkes, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Levin, Ikeda, Blair, Iwase, Grauly, McCartney, B. Kobayashi, Koki and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 66 on S.B. No. 525**

The purpose of the bill, as received by your Committee, is to prohibit persons who have been restrained by certain court orders from possessing or controlling a firearm or ammunition and to turn over any firearm or ammunition to the County Police Department for safekeeping while the protective order is in effect. The bill contains other provisions which require similar disposition of firearms or ammunition by persons under a charge for a felony or offenses involving violence or drugs.

Your Committee finds it appropriate to prohibit the possession of firearms by those who are under restraining orders. However, your Committee sees the need for certainty that the person subject to the order knows of the prohibitions created by the bill. Your Committee has therefore amended the bill to require that the order shall contain notice of the firearm and ammunition restrictions.

The bill is further amended to delete the requirement for disposal of firearms and ammunition by persons charged with a misdemeanor which did not involve violence. In this way, your Committee has been faithful to existing law.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 525, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 525, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Gaulty, Matsunaga and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 67 on S.B. No. 741**

The purpose of this bill is to enlarge the time limitation in which a criminal prosecution may be commenced for the offense of manslaughter where the death was not caused by the operation of a vehicle.

Your Committee has amended the bill to further enlarge the time to commence prosecution for manslaughter from six to ten years. Other technical, nonsubstantive changes for the purposes of clarity, consistency and style have been made.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 741, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 741, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Cachola, Takamine and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Gaulty, Matsunaga and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 68 on S.B. No. 124**

The purpose of this bill is to prohibit a petroleum manufacturer or jobber from operating a service station.

Your Committee has amended this bill by:

- (1) Making this prohibition temporary, for a period of two years, from July 31, 1993 to August 1, 1995;
- (2) Adding another new section to Chapter 486H, Hawaii Revised Statutes, which would make clear, preemption of state law by the Petroleum Marketing Practices Act;
- (3) Deleting Section 3 of the bill in its entirety and replacing it with language which would allow a company to remain as the operator of a service station under certain circumstances; and
- (4) Deleting Section 4 of the bill in its entirety and replacing it with an invalidity provision.

Your Committee is providing a two year extension of the moratorium because the effects of manufacturers and jobbers operating retail service stations is unclear, and this extension would allow the Attorney General to complete the Attorney General's investigation on the petroleum industry's practices. Your Committee feels that there still may be potential antitrust issues which have to be addressed and this extension would also prevent worsening of the current market situation.

It is your Committee's intent that the Attorney General shall complete its investigation of the petroleum industry and submit a careful assessment and an authoritative report to the Legislature on this matter.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 124, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 124, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Tom, Oshiro and Thielen,  
Managers on the part of the House.  
(Representative Thielen did not concur.)

Senators Ikeda, Iwase, McCartney, Matsunaga and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 69 on S.B. No. 154**

The purpose of this bill is to decriminalize all but the most serious traffic offenses, so as to utilize the resources of the Judiciary and law enforcement more effectively. Under this measure violators would be subject only to civil penalties, such as fines and traffic points. The Judiciary is to prepare and submit to the Legislature a complete feasibility and implementation plan before January 1, 1994. Additionally, the Judiciary is to submit to the Legislature annual status reports, at least twenty days before the convening of the regular sessions of 1995 through 1998, along with a final report twenty days before the regular session of 1999.

Your Committee finds that many traffic offenses, including minor offenses, are currently classified as crimes. Charges for these offenses require the person to appear in court, one or more times, to dispose of the case, typically, only by payment of a fine.

The present system consumes important judicial and law enforcement resources, which could be utilized elsewhere in the criminal justice system. Also, the present system costs the person a needless amount of time and costs the taxpayers excessive amounts of money. The proposed program will save the taxpayers money and aggravation with the judicial system by simplifying the traffic court process.

Your Committee concludes that this measure will allow those persons, who do not wish to contest the citation, simply to pay a fine by mail without any further action. Also, those persons who wish to admit to the infraction but want to explain mitigating factors, as well as those persons who want to contest the citation, will be afforded a hearing to do so.

Your Committee finds that the bill proposes a traffic offense system whereby, upon receipt of a citation, the person will be required, within fifteen days, to choose one of three options:

- (1) Pay the fine indicated on the citation;
- (2) Admit to the offense and request a hearing to present mitigating factors; or
- (3) Request an informal hearing to contest the citation.

If the person chooses the first option and submits payment, traffic points will be assessed according to the nature of the violation and the person's prior record. Payment will be accepted, points assessed, and the matter will be closed. However, if the assessment of points would result in twelve or more points for that person, which would require the suspension of the driver's license, payment will be rejected and the case will be scheduled for trial.

If the person chooses option number two, a hearing will be scheduled. This hearing will be limited to an explanation in mitigation of the fine and points assessed. The person may request leniency, based upon the mitigating factors, but will not be allowed to contest the charge. The court will order an appropriate fine and point assessment and the matter will be closed. Again, if the assessment of points would cause that person's total points to equal or exceed twelve, which would require the suspension of the driver's license, the person's admission will be rejected and the case will be scheduled for trial.

Should the person choose the third option, an informal hearing will be afforded. The prosecutor and police officer will not attend this hearing. At the hearing, the citation and a description of the offense will be admitted as evidence and the person will be permitted to explain his version of the matter. Ordinarily, no additional witnesses will be required. The person, if dissatisfied with the outcome of this hearing, may request a regular district court trial. At the trial the prosecutor will be present and the violation must be proven beyond a reasonable doubt.

If the person fails to respond within fifteen days to the citation and fails to choose one of the three options, a judgment by default will be entered in favor of the State. The court will notify the person as to the fine and points assessed. If the person fails to take action to set aside the default or to pay the fine within an additional thirty days, the county Director of Finance will be notified and the person will be unable to renew the driver's license or to register or acquire a vehicle until the matter is settled with the court.

Your Committee has amended the bill to clarify the procedure for relief from a default judgment and to specify that when a trial is requested, arraignment and plea will be at the time of trial. Other amendments to the bill provide that after the court receives a person's explanation that no infraction was committed, the admission and notice may be dismissed with prejudice. Also, that any admission or determination made during the informal proceedings shall not be admissible at a subsequent trial.

Your Committee has further amended the bill by making technical, nonsubstantive amendments for the purposes of clarity, consistency and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 154, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 154, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Say, Menor, Oshiro and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Nakasato, Blair, Iwase and Koki,  
Managers on the part of the Senate.

The purpose of this bill is to appropriate \$1 to the Honolulu police department's component of the "No Hope in Dope" program. This collaborative program educates school-age children about the detrimental effects of substance abuse while providing positive alternatives.

Your Committee upon further consideration has amended the bill to appropriate \$100,000. Your Committee has also made technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 363, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 363, S.D. 1, H.D. 2, C.D. 1.

Representatives Menor, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Koki, McCartney, Blair and Hagino,  
Managers on the part of the Senate.

**Conf. Com. Rep. 71 on S.B. No. 1063**

The purpose of this bill is to ensure the long-term economic stability of the Hamakua region of the island of Hawaii, which is currently suffering from the closure of operations by the Hamakua Sugar Company.

This bill designates the lands within the North Hilo and Hamakua judicial districts from Kaiaka in the south to Waipio Valley in the north as the Hamakua Community Development District. This designation authorizes the replanning, renewal, and redevelopment of the Hamakua region by the Hawaii Community Development Authority.

Your Committee finds that the State must assist the Hamakua community to become economically stable while at the same time retaining its unique rural character.

Your Committee has amended this bill by adding a new section providing that the Hamakua Development District Plan shall not take effect until the County of Hawaii establishes a community facilities district or a tax increment financing district to assist in financing improvements in the Hamakua Community Development District. Under Chapter 46, Hawaii Revised Statutes, the counties are authorized to create tax increment financing and community facilities districts to finance necessary special improvements, maintenance, and services within the county. Your Committee recognizes the importance of the County of Hawaii's participation in the revitalization of the Hamakua region and finds that this amendment will foster cooperation between the State and the County of Hawaii to meet the critical needs of the Hamakua community.

In addition, your Committee has amended this bill by appropriating \$1,000,000 to carry out the purposes of this Act.

Lastly, your Committee has made the following nonsubstantive technical amendments: (1) removed the parentheses and moved the quotation marks at page 1, line 9; (2) added a comma after the word "replanning" at page 1, line 11; and (3) clarified the language concerning voting on matters affecting only one development district, at page 8, lines 4-11.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1063, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1063, S.D. 2, H.D. 1, C.D. 1.

Representatives Say, Chang, Tajiri and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Holt, Matsuura and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 72 on S.B. No. 1448**

The purpose of this bill is to allow the Criminal Injuries Compensation Commission (Commission) to assign cases to the Commission's administrator for review and disposition if:

- (1) The case can be adjudicated appropriately with available records and documents; and
- (2) The applicant has waived a hearing before the Commission.

If an applicant is dissatisfied with the administrator's decision, the applicant may appeal the decision to the Commission for review. The bill also requires the deposit of funds received from collateral sources into the criminal injuries compensation fund.

Your Committee finds that the delegation of cases by the Commission to an administrator would streamline the eligibility determination process and aid victims of violent crimes to a quicker recovery, as well as allow the Commission more time to evaluate cases that require more attention.

Your Committee has amended the bill to specify that funds recovered from a collateral source to be paid into the criminal injuries compensation funds shall include funds recovered from the offender under section 351-35, Hawaii Revised Statutes.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1448, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1448, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Say, Suzuki and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Blair, Hagino and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 73 on S.B. No. 1752**

The purpose of this bill is to establish a Corrections Population Management Commission within the Department of Public Safety to develop mechanisms to prevent the inmate population from exceeding the capacity of the correctional facilities. This bill also appropriates \$83,882 for fiscal year 1993-1994 and \$72,782 for fiscal year 1994-1995 to hire staff and otherwise carry out the purposes of the bill.

Prison overcrowding was a major cause of the 1985 lawsuit against the State by the American Civil Liberties Union, which resulted in a consent decree governing conditions at the Oahu Community Correctional Center. Continued overcrowding is the primary reason the State is unable to satisfy the requirements of the consent decree. A permanent solution must be devised to enable the State to comply with the consent decree, prevent future litigation, and allow the Department of Public Safety to operate its facilities effectively.

Your Committee finds that this bill will facilitate the collaboration and cooperation of representatives from the three branches of government and from the various criminal justice agencies in the State to develop strategies to control the inmate population of all the State's correctional facilities.

Your Committee, upon further consideration, has amended this bill by deleting paragraph (5) referring to "prosecutorial policies" at line 5, page 4, and renumbering the remaining paragraphs consecutively.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1752, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1752, S.D. 2, H.D. 2, C.D. 1.

Representatives Menor, Tom, Tajiri and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Koki, McCartney, Blair and Hagino,  
Managers on the part of the Senate.

**Conf. Com. Rep. 74 on S.B. No. 1905**

The purpose of this bill is to:

- (1) Expand the scope of the Department of Health's immunization and vaccination program to cover high risk and susceptible persons, especially children. The program currently services only indigent and medically indigent persons;
- (2) Expand the list of diseases against which inoculations must be provided, to include: measles, mumps, rubella, haemophilus influenza (systemic), hepatitis B, influenza, and pneumococcal disease; and
- (3) Appropriate an unspecified sum to the Department of Health for the fiscal biennium for the foregoing vaccinations and immunizations.

The bill also:

- (1) Exempts immunizations from any copayment provisions; and
- (2) Adds the definition of "prevailing medical standards" to mean the recommendations of the Immunizations Practices Advisory Committee of the U.S. Department of Health and Human Services, and the American Academy of Pediatrics; provided that in the event the recommendations of the Committee and the Academy differ, the department of health shall determine which recommendations shall apply.

Your Committee wishes to clarify that the exemption from co-payments applies only to the dispensing fee and cost of the vaccine, and not to any fees that may be charged for office visits.

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

- (1) Deleted section 6 appropriating an unspecified sum to the Department of Health for the fiscal biennium; and
- (2) Made the effective date of the bill one year earlier to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1905, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1905, S.D. 1, H.D. 2, C.D. 1.

Representatives Duldulao, Say, Pepper and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Kanno, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 75 on S.B. No. 448**

The purpose of this bill is to appropriate \$1 for the Department of Public Safety's component of the "No Hope in Dope" program.

This collaborative program educates school-age children about the detrimental effects of substance abuse while providing positive alternatives.

Your Committee upon further consideration has amended this bill to appropriate \$100,000 for fiscal year 1993-1994.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 448, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 448, S.D. 1, H.D. 2, C.D. 1.

Representatives Menor, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Koki, McCartney, Blair and Hagino,  
Managers on the part of the Senate.

**Conf. Com. Rep. 76 on S.B. No. 261**

The purpose of this bill is to comply with the requirements of Article VII, section 6, of the Constitution of the State of Hawaii by providing a \$0 tax credit. This section requires the legislature to provide either a tax refund or tax credit to qualified taxpayers whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of the general fund revenues for each of the two fiscal years.

Your Committee finds that, in light of the constitutional requirement that a credit or rebate be enacted, and given the State's current fiscal situation, the appropriate amount of the tax credit should be \$1. Therefore, your Committee has amended the bill by changing the tax credit from \$0 to \$1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 261, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 261, H.D. 1, C.D. 1.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, Levin, Matsuura, McCartney, Tungpapan and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 77 on S.B. No. 250**

The purpose of this bill is to appropriate funds to establish the Pacific Mapping Center in the College of Engineering at the University of Hawaii.

In 1983, President Ronald Reagan proclaimed the establishment of the Exclusive Economic Zone (EEZ) of the United States, extending the nation's sovereign rights over the natural resources of our coastal seas up to 200 nautical miles from shore. Hawaii's EEZ is approximately 697,000 square miles, and less than three percent of this area has been bathymetrically mapped.

Your Committee finds that mapping of the ocean floor provides useful information and serves the community in many ways. Ocean floor maps are used in marine mining, fisheries research, tsunami research, identification of sites for ocean thermal energy plants, and the laying of undersea cables.

The Pacific Mapping Program was established as a pilot program in 1990 by the U.S. Geological Survey and the National Oceanic and Atmospheric Administration to collect, analyze, process, and provide ocean mapping data to the public. Within the University of Hawaii, the Pacific Mapping Program is the result of a collaborative effort between the College of Engineering, the School of Ocean and Earth Sciences and Technology, the Department of Geography, and the Sea Grant College. Your Committee finds that continued cooperation between the University and the federal government will contribute significantly to a more complete understanding of our ocean resources and provide a valuable service to the community.

Your Committee has amended this bill by appropriating \$1 to establish the Pacific Mapping Center at the University of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 250, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 250, H.D. 1, C.D. 1.

Representatives Lee, Say, Chang, Hagino and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Tungpalan, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 78 on S.B. No. 1726**

The purpose of this bill is to increase the conveyance tax from five cents per hundred dollars to ten cents per hundred dollars and allocate conveyance tax revenues to the Rental Housing Trust Fund and the Natural Area Reserve Fund.

In addition, this bill proposes several other amendments to improve the administration of the conveyance tax law by:

- (1) Requiring that any overpayment of conveyance taxes imposed be credited within three years after the filing of a conveyance tax certificate;
- (2) Prohibiting commencement of a court proceeding without assessment for the collection of taxes before the expiration of the three year period;
- (3) Allowing for the assessment or levying of the conveyance tax at any time if a false or fraudulent certificate was filed with the intent to evade taxes or if a certificate was not filed;
- (4) Clarifying the basis and rate of the conveyance tax to include any promise, act, forbearance, property interest, value, gain, advantage, benefit, or profit, as well as money; and
- (5) Including exemptions from the conveyance tax for: (a) the threat of eminent domain, the point at which most conveyances to government occur, (b) partition deeds that result in equal value to the co-owners and no change in the proportionate interest of the co-owners, (c) conveyances involving divorced couples ordered by the courts to dispose of property, and (d) transfers involving certain testamentary trusts and grantor revocable living trusts.

Your Committee finds that the Rental Housing Trust Fund was created by Act 308, Session Laws of 1992, to help address the acute shortage of safe, decent, and affordable rental housing in the State of Hawaii. Initial funding for the trust fund was provided with a \$15,000,000 transfer from the Rental Assistance Revolving Fund administered by the Housing Finance and Development Corporation. This \$15,000,000 was a one-time transfer and your Committee finds it inadequate to meet the anticipated need for affordable housing. Your Committee determines that it is in the public interest to provide a continuous source of funding for the Rental Housing Trust Fund that will subsidize the development of affordable rental housing for Hawaii's very low and low income households.

Your Committee further finds that in 1991, the Legislature established the Natural Area Partnership and Forest Stewardship programs to provide incentives for private landowners to protect important natural resources on their lands. Act 326, Session Laws of Hawaii 1991, established the Natural Area Partnership and provided State funds on a two-to-one basis with private funds for the management of important private natural areas, including lands with intact native ecosystems and essential habitats for native species. To qualify, landowners must permanently dedicate their land to conservation. Act 327, Session Laws of Hawaii 1991, established the Forest Stewardship program and also provided State funds on a two-to-one basis with private funds for the management of important natural resources such as non-native watersheds, timber resources, fish and wildlife habitats, small patches of native forests, and isolated populations of endangered species.

Both programs are off to a strong start and provide new and innovative ways of addressing the pressures and threats facing Hawaii's natural resources. Interest in the programs by the private sector has been greater than expected; all funds appropriated to date have been encumbered and several qualified projects remain unfunded.

Your Committee determines that the Rental Housing Trust Fund and the Natural Area Partnership and Forest Stewardship programs need permanent, dedicated sources of funding to accomplish their intended purposes.

Therefore, your Committee has amended this bill by deleting the provision allowing the disbursement of revenues paid into the Natural Area Reserve Fund to support the management of the Natural Area Reserves System. It is the intent of your Committee to earmark these funds to the Natural Area Partnership and Forest Stewardship programs to enhance private participation in the protection and management of conservation lands.

In addition, this bill was amended to make clear that it will apply to any document or instrument presented for recordation or filing under the conveyance tax laws after June 30, 1993. Lastly, your Committee has made two technical amendments at page 8, lines 7 and 8, for the purpose of consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1726, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1726, S.D. 1, H.D. 1, C.D. 1.

Representatives Say, Morihara, Nakasone and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Holt, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 79 on S.B. No. 552**

The purpose of this bill is to require that public buildings and facilities constructed by the State, a county, or on behalf of the State or any county, conform to the Americans with Disabilities Act Accessibility Guidelines.

Your Committee finds that Congress passed the Americans with Disabilities Act (ADA) to aid in the promulgation of design guidelines for state and county government facilities and for privately-owned places of public accommodation. The ADA requires one set of standards to be adhered to by planners, designers, and contractors. These uniform standards will ensure that these sites become and remain accessible to persons with disabilities. This bill requires compliance with the ADA Guidelines for public buildings and facilities constructed by the State, a county, or on behalf of the State or any county. The bill does not affect buildings and facilities constructed prior to its effective date of January 1, 1994, in conformance to the Uniform Federal Accessibility Standards, 41 C.F.R. Pt. 1191.

This bill also increases the size of the architectural access committee, which has the authority to vary the guidelines with alternate designs to provide equal access to persons with disabilities and to establish guidelines for design specifications not covered in the ADA Guidelines, from three members to five members.

Your Committee has amended this bill by requiring the comptroller to provide the legislature with an annual report on the number and types of buildings and facilities donated to the State and the costs, if any, of bringing them into compliance with the ADA Guidelines. Your Committee has also changed the amount of the appropriation to the department of health to \$103,000 for fiscal year 1993-94 and \$94,000 for fiscal year 1994-95.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 552, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 552, S.D. 1, H.D. 1, C.D. 1.

Representatives Chun, Tom, Chang and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, B. Kobayashi, Holt, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 80 on S.B. No. 930**

The purpose of this bill is to appropriate the sum of \$1 for fiscal year 1993-1994, and the same sum for fiscal year 1994-1995, to the University of Hawaii, to provide continuing funding for efforts to establish support and assistance to families, professionals, and persons with autism through the resource and technical assistance project on autism.

Specifically, this bill requires the resource and technical assistance project to provide:

- (1) Diagnostic expertise and a team of trained professionals to work in collaboration with parents throughout the child's evaluation;
- (2) Coordination of the development and implementation of meaningful service plans;
- (3) On-site training for families, community agencies, and schools to provide appropriate services for persons with autism;
- (4) Assistance to families in locating and accessing appropriate services;
- (5) Advocacy for individuals with autism and autistic-like characteristics to further develop and improve services; and
- (6) Facilitation of research, networking, information exchanges, and agreements among agencies and parents dealing with autism.

In addition, this bill requires the autism advisory committee, established within the University of Hawaii's university affiliate program, to continue to assure appropriate coordination of activities and provide support and direction to the resource and technical assistance project.

Your Committee finds that a report on autism submitted in 1991 by the state planning council on developmental disabilities recommended that Hawaii establish and fund a three-year pilot project to develop a comprehensive system of diagnosis and treatment for individuals with autism. Your Committee also finds that this bill would provide critical support for the continuation of this project.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated for fiscal year 1993-1994 from \$1 to \$175,385, and changing the sum appropriated for fiscal year 1994-1995 from \$1 to \$182,263; and

- (2) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 930, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 930, S.D. 1, H.D. 1, C.D. 1.

Representatives Chun, Say, Santiago and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Tungpalan, B. Kobayashi, Levin and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 81 on S.B. No. 952**

The purpose of this bill is to exempt from the general excise tax amounts attributed to a producer of agricultural products who sells products to a purchaser who will process the products outside the State. At the present time, sales of sugarcane by sugarcane producers to C & H Sugar Company are exempt from general excise tax provisions. However, since C & H Sugar Company is being sold to a single owner, the exemption now granted to the sugarcane producers would not be applicable. This bill would continue the general excise tax exemption for the sugarcane producers.

Your Committee upon further consideration has amended this bill to change the effective date from July 1, 1998 to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 952, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 952, S.D. 2, H.D. 2, C.D. 1.

Representatives M. Ige, Say, Chumbley, Morihara and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Kanno, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 82 on S.B. No. 539**

The purpose of this bill is to continue the provision of human services through the family center demonstration project. Specifically, this bill:

- (1) Extends the repeal date of the project from July 1, 1993 to July 1, 1995;
- (2) Requires the family center council to plan for the 1995 implementation of a permanent family center project;
- (3) Requires the above-referenced plan to include:
  - (a) Recommendations on the continuance of the project;
  - (b) An administrative structure for the project;
  - (c) A funding structure that integrates resources from the public and private sectors;
  - (d) The incorporation of training and community action;
  - (e) Technical assistance on the development of family centers;
  - (f) The project's evaluation and assessment component;
  - (g) A structure to allocate resources to the family centers;
  - (h) A process to select sites for family centers; and
  - (i) A projected budget for the continuation or expansion of the project;
- (4) Requires the project's evaluation component to include information on the lessons learned from operating under family center concepts, and information as to whether the project has changed the human services system; and
- (5) Requires the Department of Human Services (DHS) to submit status reports to the Legislature twenty days prior to the convening of the Regular Sessions of 1993 and 1994, and a final report at least twenty days prior to the convening of the regular session of 1995.

Your Committee upon further consideration has made the following amendments:

- (1) Rather than requiring the DHS to submit status reports, the amended bill requires the legislative reference bureau, in consultation with the DHS, to submit preliminary and final evaluation reports at least twenty days prior to the convening of the regular sessions of 1994 and 1995;

- (2) Adds the content of H.B. No. 120, H.D. 2, providing for the determination of the amount of public assistance to be based on the poverty level established by the federal government in 1993; and
- (3) Adds clarification of the method required to determine the assistance allowance by conforming the rounding down process to the federally prescribed method.

Your Committee wishes to point out that this bill, as amended, will not affect welfare funding levels in 1993 and will allow the Legislature time to search for other sources of funding. Should other moneys become available, the Legislature will have the opportunity in 1994 to repeal the "1993" level. Instituting a freeze at the 1993 level now will generate savings that will be dedicated for use in education and human services programs.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 539, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 539, S.D. 2, H.D. 2, C.D. 1.

Representatives Chun, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Grauly, Fernandes Salling, Levin and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 83 on S.B. No. 920**

The purpose of this bill is to afford water safety officers the same retirement benefits as are currently provided to other public employees in high risk occupations such as firefighters, police officers, and corrections officers.

Increased benefits include a higher retirement allowance and the right to retire with full benefits after twenty-five years of service, regardless of age.

Under this bill, all water safety officers hired after December 31, 1993 would be Class A contributory members of the Employees' Retirement System. Those currently in noncontributory Class C will have the option of retaining prior service as Class C or paying the conversion premium.

Your Committee finds that water safety officers meet the same criteria by which other high risk occupations are deemed entitled to selected treatment under the retirement law.

Your Committee has amended this bill by providing that all water safety officers shall be designated Class A members of the Employees' Retirement System as of December 31, 1993, thus eliminating any ambiguity as to the status of current Class C water safety officers or new hires. The voluntary buy back provision for current Class C water safety officers is retained.

Your Committee has also clarified that the water safety officers who are the subjects of this measure are those employed by the counties to provide services at Hawaii's beaches. Lifeguards for swimming pools or facilities other than beaches, and lifeguards employed by the State or anyone other than a county, are not included.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 920, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 920, S.D. 2, H.D. 1, C.D. 1.

Representatives Yonamine, Taniguchi, Say and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Fukunaga, Kanno and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 84 on S.B. No. 1137**

The purpose of this bill is to allow the University of Hawaii to waive all tuition fees for ten Hawaiian students who are financially needy, or enrolled in Hawaiian language courses, or education, or who participate in student recruitment programs at the University of Hawaii.

Hawaiian students have historically been underrepresented among the student population at the University of Hawaii. Your Committee believes very strongly that this state of affairs should not continue and that strong affirmative measures must be taken to remedy the problem. Increasing the number of tuition waivers available to Hawaiian students will promote this goal while helping to remove financial need as a bar to progress. Accordingly, your Committee has amended this bill by increasing the number of tuition waivers from ten to two hundred fifty.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1137, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1137, S.D. 1, H.D. 2, C.D. 1.

Representatives Lee, Okamura, Say, Beirne and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Tungpalan, B. Kobayashi, Levin and Koki,

Managers on the part of the Senate.

**Conf. Com. Rep. 85 on S.B. No. 530**

The purpose of this bill is to amend the vehicle weight tax law to require that if a previously junked vehicle has been re-registered, the certificates of title and registration indicate that fact. The bill also delete a superfluous reference to "sworn" affidavits in the exemption of certain motor vehicles from the vehicle weight tax.

Your Committee finds that this bill will protect consumers by requiring a permanent, easily discovered record of the vehicle's prior status. Your Committee has amended the bill by removing the purpose clause, and by requiring that a signed statement of fact, rather than an affidavit, be submitted to the director of finance concerning a vehicle's eligibility for exemption from the vehicle weight tax.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 530, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 530, S.D. 2, H.D. 2, C.D. 1.

Representatives Oshiro, Kanoho, Nakasone and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Nakasato, Holt, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 86 on S.B. No. 1670**

The purpose of this bill is to transfer the responsibilities for the statewide coordination and development of literacy programs and the operations of the Governor's Council for Literacy and Lifelong Learning from the Governor's Office of Children and Youth to the Public Library System.

Specifically, this bill:

- (1) Requires the establishment of the Literacy and Lifelong Learning Program within the Public Library System;
- (2) Transfers the Public-Private Partners for Literacy Trust Fund within the Hawaii Community Foundation from the purview of the Governor's Office of Children and Youth to the State Librarian; and
- (3) Requires the Board of Education, through the State Librarian, to:
  - (A) Coordinate and facilitate the activities of literacy service providers and literacy programs in the public, private, and volunteer sectors;
  - (B) Serve as a clearinghouse for information relating to grants and other moneys available for literacy providers and programs, literacy services in the state, the measurable results of various literacy programs, and statistics and demographics concerning those individuals receiving and in need of literacy services; and
  - (C) Develop public-private sector literacy partnerships with the assistance of the Governor's Council for Literacy and Lifelong Learning.

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

- (1) Deleting all provisions for state appropriations to the trust fund; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1670, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1670, S.D. 2, H.D. 2, C.D. 1.

Representatives D. Ige, Chun, Kawakami, Takumi and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Fukunaga, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 87 on S.B. No. 336**

The purpose of this bill is to make an appropriation to establish a pilot program to place ten full-time athletic trainers in public high schools.

Your Committee finds that Hawaii's high schools have not kept pace with the health and safety requirements of a modern athletic program and the lack of adequately trained athletic program personnel pose a risk to the athletes' health and safety. To ensure that adequately trained individuals are placed into the pilot program, it is the intent of your

Committee that any person employed as an athletic trainer pursuant to this bill shall possess the following minimum requirements:

- (a) Certification by the National Athletic Trainers Association; or
- (b) At least five years of experience as an Emergency Medical Technician III or higher, and not less than twenty years of experience as an athletic trainer.

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

- (1) Increasing the appropriation amounts to \$371,000 for each fiscal year; and
- (2) Making technical amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 336, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 336, S.D. 2, H.D. 2, C.D. 1.

Representatives D. Ige, Say, Alcon, Takumi and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Fukunaga, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 88 on S.B. No. 1410**

The purpose of this bill is to enhance Department of Health environmental programs.

As received, this bill establishes a six cents per barrel tax on all petroleum products sold in the State to any end user except a refiner. Taxes collected will be deposited into the Environmental Response Revolving Fund and used for oil release planning, prevention, training, removal, education, and recycling activities, including the establishment of accessible oil drop off stations.

The bill also establishes an Environmental Health Program Enhancement and Education Fund to improve environmental health programs, into which money collected by the Department of Health for various fees will be deposited.

To promote and support state and county waste reduction, recovery, and diversion programs, this bill authorizes the Department to impose a solid waste management surcharge of twenty-five cents per ton of solid waste disposed of within the State and establishes an Environmental Management special fund into which surcharge collections will be deposited.

Your Committee has amended this measure by deleting all sections related to the environmental response tax and requirements that moneys from the Environmental Management special fund be used to defray costs of the transport and disposal of household hazardous waste collected by the counties and pay for administrative expenses related to management of the fund.

Your Committee has added several new provisions, and as a result, this bill:

- (1) Establishes a solid waste management surcharge of twenty-five cents per ton to promote and support state and county waste reduction, recovery, and diversion programs;
- (2) Authorizes the counties to assess a clearly identified surcharge based on partial costs of solid waste collection;
- (3) Requires a comprehensive report from the State Solid Waste Management Coordinator on results accomplished by the Department of Health and counties to meet the purposes of the Act, expenditures and revenues deposited into the Environmental Management special fund; and
- (4) Authorizes the Department of Health to expend from the Environmental Management special fund the sum of \$400,000 for fiscal year 1993-1994 to support the purposes of this Act.

Finally, your Committee has made several technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1410, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1410, S.D. 2, H.D. 2, C.D. 1.

Representatives Bainum, Takamine, Say and Thielen,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 89 on S.B. No. 1582**

The purpose of this bill is to appropriate the sum of \$1 for fiscal year 1993-1994, and the same sum for fiscal year 1994-1995, to the department of education, for salary adjustments made by the educational officer classification and compensation appeals board to the educational officer classification/compensation plan.

Your Committee finds that the foundation of any fair and equitable compensation plan is the principle of "equal pay for equal work". Consequently, the department of education and the board of education must pursue the repricing of all educational officer positions, and evaluate these positions in terms of their responsibilities. Positions that are under-valued should be priced higher, and positions that are over-valued should be priced lower.

Your Committee has amended this bill by changing the sum appropriated for fiscal year 1993-1994 from \$1 to \$246,667, and changing the sum appropriated for fiscal year 1994-1995 from \$1 to \$296,001. Your Committee notes that the foregoing appropriation represents the Committee's intent to attract and retain the best qualified people at the school level.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1582, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1582, S.D. 1, H.D. 1, C.D. 1.

Representatives D. Ige, Say, Apo, Suzuki and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Fukunaga, Kanno and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 90 on S.B. No. 1729**

The purpose of this bill is to change the tax on cigarettes from forty per cent of the wholesale price to a fixed-rate tax of 4.5 cents on each cigarette that would apply to sales during periods after June 30, 1993 or ninety days after a United States congressional act is signed into law which requires military installations to purchase cigarettes in Hawaii in a manner similar to that required of alcoholic beverages, whichever date is later. This bill also appropriates an unspecified amount to the department of health. The taxation of other tobacco products will remain at the current forty per cent tax on the wholesale price of the articles.

Your Committee finds that the taxation of cigarettes accounts for approximately ninety per cent of the annual tobacco tax revenues. The change in method of taxation that is made by this bill will also allow for the taxation of cigarette sales to the military if the military is required by law to purchase cigarettes in a manner similar to that required of alcoholic beverages. This will result in a substantial increase in revenues to the State.

Your Committee has amended this bill by:

- (1) Changing the fixed-rate tax from 4.5 cents to 3 cents per cigarette for cigarettes sold after June 30, 1993 and increasing the fixed rate tax from 3 cents to 3.5 cents for cigarettes sold after the first day of the month one hundred eighty days after a United States congressional act is signed into law which requires military installations to purchase cigarettes in Hawaii in a manner similar to that required of alcoholic beverages;
- (2) Removing the appropriation to the department of health;
- (3) Making the effective date of the Act July 1, 1993; and
- (4) Making other technical, non-substantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1729, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1729, S.D. 1, H.D. 1, C.D. 1.

Representatives Say, Kawakami, Suzuki and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Holt, Kanno and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 91 on S.B. No. 1851**

The purpose of this bill is to authorize the issuance of \$50,000,000 in special purpose revenue bonds to assist C. Brewer and Company, Limited, in the construction of a medium density fiberboard plant in the county of Hawaii.

With the phase down of sugar industry operations on the island of Hawaii, your Committee finds that it is imperative that agricultural operations explore new and diversified agricultural alternatives. A medium density fiberboard plant along the Hilo coast could generate as much as two hundred jobs for the people of the county of Hawaii.

Your Committee has amended this bill by extending the date upon which the authority to issue special purpose revenue bonds is scheduled to expire. The date has been extended from June 30, 1993, to June 30, 1997.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1851, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1851, S.D. 1, H.D. 2, C.D. 1.

Representatives Stegmaier, Say, Morihara and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Matsunaga, Matsuura, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 92 on S.B. No. 1361**

The purpose of this bill is to authorize the state Department of Health to regulate the transport and disposal of petroleum-contaminated soils. This bill also contains a provision which appropriates an unspecified sum to the department to carry out its regulatory duties.

Your Committee finds that because of the risks associated with the improper handling of petroleum-contaminated soil, persons engaged in the transport and disposal of this category of waste should be subject to the provisions of the state solid waste pollution law. Your Committee finds that this bill provides the Department of Health with the mechanism to regulate the transport and disposal of petroleum-contaminated soil.

Your Committee has amended this bill by:

- (1) Amending the provision prohibiting the transport of petroleum-contaminated soil without a permit by clarifying the procedures which would exempt transporters from the permit requirement;
- (2) Adding the definitions of "petroleum" and "petroleum-contaminated soil" to chapter 342H; and
- (3) Deleting the section of the bill containing the proposed appropriation.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1361, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1361, S.D. 1, H.D. 2, C.D. 1.

Representatives Bainum, Say, Nekoba and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Levin, Fukunaga and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 93 on S.B. No. 1874**

The purpose of this bill is to implement the recommendations of the Kaneohe Bay Master Plan Task Force regarding the implementation and administration of the Master Plan.

Specifically, this bill:

- (1) Establishes in statute the Kaneohe Bay Regional Council to implement the Kaneohe Bay Master Plan and perform related functions such as coordinating bay activities, disseminating information about the bay, advising and serving as an advocate for the bay, and developing short- and long-range goals for the bay;
- (2) Provides for an executive director, staff and a state appropriation for such staffing;
- (3) Requires an annual report to be submitted to the Governor and the Legislature by the Council; and
- (4) Requires the Office of State Planning to convene a Kaneohe Bay Task Force in 1998 to evaluate the status and activities of the Council.

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

- (1) Adding a findings and purpose section;
- (2) Limiting the scope of the Council to the implementation of the Master Plan as it relates to ocean use activities in the Bay;
- (3) Deleting the provision of staff and appropriations therefor;
- (4) Adding a provision to authorize the Council to facilitate bringing together the users of the Bay and the general public to develop a common vision and make public policy recommendations related to the Bay and deleting the provision authorizing the Council to prepare and submit budgets for the disbursement of funds allocated for the Council's work;
- (5) Requiring the Council to meet on the first Wednesday of each calendar quarter in each year of its operation, and to submit semi-annual reports on its activities;

- (6) Adding a new section to Chapter 200, Hawaii Revised Statutes to provide for the permitting and regulation of ocean use activities in Kaneohe, pursuant to the recommendations included in the Kaneohe Bay Master Plan regarding such activities;
- (7) Amending sections 200-37 and 200-38, Hawaii Revised Statutes, to repeal all provisions related to Kaneohe Bay;
- (8) Changing the date from 1998 to 1997 for the Office of State Planning to convene the Kaneohe Bay Task force;
- (9) Adding an appropriation of \$2,500 for the fiscal year 1993-1994 to support the Kaneohe Bay Regional Council; and
- (10) Adding a drop-dead provision for this Act of July 1, 1998.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1874, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1874, S.D. 2, H.D. 2, C.D. 1.

Representatives Hiraki, Say, Apo, Nekoba and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Nakasato, McCartney and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 94 on S.B. No. 1531**

The purpose of this bill is to require state and county agencies to give preference in awarding public works contracts to contractors who have filed and paid state taxes for two successive years if the contract is worth less than \$5 million, and for four successive years if the contract is worth \$5 million or more, as long as their bids are no more than four per cent higher than other contractors.

Your Committee finds that this bill will assure the State that contractors for public works projects are stable and reliable contractors who have been able to survive in the Hawaii construction industry climate and, therefore, will not default on their contracts or go out of business before completing a public works project. Certain economic conditions for businesses which are unique to Hawaii, such as the high cost of leasing or purchasing business premises and the high cost of wages, offer challenges to contractors who are conducting or intend to conduct business in Hawaii. Accordingly, it cannot be assumed that a contractor that has been successful outside the State will automatically be a stable and reliable contractor in Hawaii.

The method utilized in this bill to ensure that a building contractor or corporation has sufficient stability is by proof of state taxes paid. Your Committee believes that the mere registration of a contractor with the department of commerce and consumer affairs is an insufficient method of determining whether or not a contractor is stable and reliable since a contractor could be registered but not actively engaged in business. The use of tax records ensures that the contractor is actively conducting business in the State.

Your Committee has amended this bill to remove county agencies from the preference requirements and to change the amount that a bid of a preferred contractor can exceed that of a competing contractor from four per cent to five per cent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1531, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1531, S.D. 1, H.D. 1, C.D. 1.

Representatives Say, Kawakami, Nakasone, Tajiri and Thielen,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Holt, Fukunaga and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 95 on S.B. No. 1715**

The purpose of this bill is to generate increased revenues to cover health care payments for the federally funded medicaid program and enable the Department of Human Services to earn additional federal matching funds on this revenue.

This purpose is achieved by:

- (1) Establishing a six per cent tax on nursing facility income and a four per cent tax on hospital income except income subject to general excise tax provisions;
- (2) Establishing the Health Care Revolving Fund, into which the revenue derived from the tax on nursing facility and hospital income will be deposited; and

- (3) Requiring the Department of Human Services to submit reports to the Legislature prior to the convening of the 1994 and 1995 regular sessions regarding the status of the provider tax and an accounting of federal matching funds drawn down from the reimbursement rate resulting from the provider tax as well as other information necessary to assess the impacts of the tax.

This bill also includes an additional six per cent of nursing facilities expenses in calculating the amount of the medical services excise tax credit allowable under the income tax law.

Your Committee has amended this bill as follows:

- (1) Including in the definition of "hospital income" compensation for patients who are on a waiting list to be transferred to a nursing facility or in acute care "swing beds";
- (2) Excluding from the definitions of "hospital income" and "nursing facility income" income from an affiliated entity that operates as a health maintenance organization and settlements from third party payors for services delivered prior to the effective date;
- (3) Excluding from the definition of "nursing facility income" income from adult day health and adult day care programs, income from the provision of home health agency services, and income from the provision of "nursing homes without walls" programs;
- (4) Requiring operators, except hospitals in the state community hospital system, to keep books and records on an accrual basis for the purposes of determining the amount of taxes due;
- (5) Appropriating \$125,000 from the general revenues of the State for the purposes stated above; and
- (6) Other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1715, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1715, S.D. 2, H.D. 2, C.D. 1.

Representatives Chun, Duldulao, Say and Kawakami,  
Managers on the part of the House.

Senators A. Kobayashi, Grauly, Fernandes Salling, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 96 on S.B. No. 1027**

The purpose of this bill is to provide compensation for members of the Board of Trustees of the Office of Hawaiian Affairs.

Specifically, the bill:

- (1) Establishes a salary commission to study and make recommendations for the salary of the Board members beginning in 1997;
- (2) Sets forth the annual part-time salaries of \$37,000 for the Chairperson and \$32,000 for other Board members;
- (3) Includes Board members on the State's benefit program and provides them with a protocol allowance;
- (4) Provides for an audit of the Office of Hawaiian Affairs at least once every four years wherein the first audit report shall be submitted to the Governor and the Legislature no later than January 15, 1997; and
- (5) Appropriates \$586,000 for fiscal biennium 1993-1995 to carry out the purposes of the bill.

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

- (1) Excluding Office of Hawaiian Affairs Trustees from any State retirement programs;
- (2) Deleting the provisions stating that Office of Hawaiian Affairs Trustees are to be compensated on a part-time basis;
- (3) Providing that the appropriations made under the bill are to be matched by the Office of Hawaiian Affairs' pro rata share of public land trust revenues;
- (4) Requiring that the Auditor issue its first audit report of the Office of Hawaiian Affairs be issued no later than January 15, 1996;
- (5) Appropriating \$146,500 for each fiscal year to carry out the purposes of the bill; and
- (6) Correcting certain technical and stylistic errors.

Your Committee believes that the fiduciary responsibilities and obligations inherent in the Office of Hawaiian Affairs' Trusteeship justifies the recommended compensation package.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1027, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1027, S.D. 2, H.D. 2, C.D. 1.

Representatives Okamura, Say, Apo, Kawakami and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Holt, Fukunaga and Tungpalan,  
Managers on the part of the Senate.

**Conf. Com. Rep. 97 on S.B. No. 1028**

The purpose of this bill is to enact provisions facilitating efforts to achieve Hawaiian sovereignty.

Specifically, the bill supports the efforts of native Hawaiians to establish a sovereign nation by providing for:

- (1) The convening of a Hawaiian constitutional convention to discuss various forms of nationhood and develop an organic document; and
- (2) The conduct of fair, impartial, and valid elections including:
  - (A) A referendum;
  - (B) An election of constitutional convention delegates; and
  - (C) A ratification election so that Hawaiian people may select the form by which they will govern their native lands, revenues, natural and cultural resources, and other possessions and institutions of an autonomous people.

During the deliberations of your Committee on this measure, we were deeply aware of the significance of 1993 as the centennial year of the overthrow of the Kingdom of Hawaii. The events of this past January, particularly the focus on the role of the United States in the destruction of the Hawaiian nation, has caused understandable pain and anger on the part of both Hawaiians and non-Hawaiians alike. For some, this examination of the past and its continuing consequences has been viewed as disloyalty to the United States of America. But the questions which have been raised -- how have Hawaiians been treated in the past, and how should they be treated in the future -- are important to the future of Hawaii.

This measure will begin a process to find answers to those questions. The State cannot and should not abridge the inherent right of native Hawaiians to freely determine a government of their own choosing. It is for the Hawaiian people to work out their own destiny, but this work will continue to require support and understanding. It will also demand full recognition of the rights of free speech and free thought guaranteed every American citizen.

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

- (1) Deleting references to a "constitutional" convention to create an organic document for a Hawaiian sovereign nation;
- (2) Establishing a Hawaiian Sovereignty Advisory Commission to advise the Legislature on sovereignty proceedings and progress;
- (3) Authorizing the Governor to convene an interagency task force to support the needs of the Hawaiian Sovereignty Advisory Commission; and
- (4) Appropriating a total of \$420,000 of general and special funds to carry out the purposes of this measure.

Your Committee has deleted the constitutional references in order to enable debate over the merits of organic documents other than constitutions. It is not your Committee's intent to predetermine the creation of an organic document for a sovereign Hawaiian government.

Your Committee believes that establishing a Hawaiian Sovereignty Advisory Commission and authorizing the Governor to convene an interagency task force to support the Commission, is the appropriate mechanism by which to address the issues surrounding the apportionment of representative districts and the election of delegates for a Hawaiian convention. Your Committee is mindful that the Ahahui as well as the other Hawaiian organizations mentioned in this bill occupy an important place in the Hawaiian community and as such merit special consideration in matters relating to sovereignty. Therefore, the Governor is encouraged to recognize these traditional institutions and afford them full consideration and respect when making his appointments to the Commission.

Some questions have been raised regarding the authority of the State to grant sovereignty to a race of people. Your Committee notes that the American Civil War was fought over the question of sovereignty and acknowledges that it is not within the power of a state to confer sovereignty on behalf of the United States. The State of Hawaii's involvement in the sovereignty movement might run the risk of being considered seditious, and thus we must be cautious regarding the kind of assistance we give. However, your Committee believes that facilitating the process by which the Hawaiian people may

achieve self-determination is within the scope of its jurisdiction and consistent with the principles of civil and human rights.

The State of Hawaii recognizes the sovereignty of the United States and will, in implementing this measure, conform to the legal contract between the State and the federal government.

Your Committee recognizes and affirms the inherent right of the indigenous Hawaiian people to sovereignty and self-determination and supports their efforts to establish a sovereign government with powers, duties, and land, ocean, water, and financial resources as they determine. This bill will aid in redressing the wrongs and inequities resulting from the overthrow of the Hawaiian Kingdom and usurpation of the government, lands, and treasury of the indigenous Hawaiian people.

Additionally, the bill will assist in ameliorating the spiritual, health, social, and economic plight of the indigenous Hawaiian people through empowerment of their self-determined institutions and repossession of their land, ocean, water, and financial resources.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1028, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1028, S.D. 2, H.D. 2, C.D. 1.

Representatives Okamura, Say, Apo, Beirne, Kawakami and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Holt, Fukunaga, Solomon, Tungpalan and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 98 on S.B. No. 603**

The purpose of this bill is to facilitate the development of data for the establishment of a Department of Environmental Protection. Specifically, the bill requires the Legislative Reference Bureau to update its 1985 report on the feasibility of environmental reorganization for Hawaii and to examine the feasibility of alternative financing mechanisms to augment funding for a Department of Environmental Protection. The bill also requires the Governor to prepare an organizational and functional plan for a Department of Environmental Protection and a plan for the orderly transition of functions to be transferred to the department.

Your Committee has amended this bill by:

- (1) Deleting the provision specifying that the study by the Legislative Reference Bureau include estimates of funding losses to existing environmental management programs due to the lack of a Department of Environmental Protection;
- (2) Requiring the Legislative Reference Bureau to submit an interim report prior to the 1994 regular session and a final report prior to the 1995 regular session instead of submitting a report prior to the 1996 regular session of the Legislature; and
- (2) Deleting the provision requiring the Governor to prepare an organizational and functional plan prior to the 1996 regular session.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 603, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 603, S.D. 2, H.D. 2, C.D. 1.

Representatives Bainum, Say, Nekoba and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 99 on S.B. No. 1126**

The purpose of this bill is to add a new chapter governing public procurement by the State and the counties. Among other things, this bill:

- (1) Establishes a procurement policy office within the Department of Accounting and General Services to review all procurement concerns, policies, and practices; revise or develop new policies to implement the Hawaii Procurement Code; recommend amendments to the Code; and adopt rules to govern the procurement of goods, service, and construction;
- (2) Establishes the criteria and requirements for source selection and contract formation, including:
  - (a) Competitive sealed bids;
  - (b) Competitive sealed proposals;
  - (c) Small purchases;

- (d) Sole source procurements;
  - (e) Emergency procurement; and
  - (f) Procurement of professional services; and
- (3) Provides legal and contractual remedies for violations of the Procurement Code.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1126, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1126, S.D. 2, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Kawakami, Nakasone, Tajiri and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Fukunaga, B. Kobayashi, Matsuura, McCartney, Nakasato, George and Tungpalan,  
Managers on the part of the Senate.

**Conf. Com. Rep. 101 on H.B. No. 570**

The purpose of this bill is to amend chapter 586, Hawaii Revised Statutes (HRS), to provide for discretionary imprisonment of a violator for a first conviction for a violation of either a temporary restraining order or a protective order; and to provide for mandatory imprisonment of a violator for a second or subsequent violation of either a temporary restraining order or a protective order.

Your Committee has decided not to amend section 586-4, HRS, that deals with temporary restraining orders. Thus, the mandatory sentences for the violations of temporary restraining orders shall remain in effect.

However, your Committee has amended section 586-11, HRS, that deals with protective orders. Your Committee has made a distinction between domestic abuse violations and non-domestic abuse violations of the protective orders. "Domestic abuse" has been defined in section 586-1, HRS, to include such actions as physical harm, bodily injury, assault, threats, etc. Your Committee intends that the phrase "non-domestic abuse" cover violations of the protective order other than those amounting to "domestic abuse." For example, if the protective order specifies certain times for the children to be picked up or dropped off by a parent, the parent's failure to pick up or drop off the children on time may constitute non-domestic abuse, as long as this does not constitute "extreme psychological abuse" under the definition of "domestic abuse."

Your Committee has determined that the sentence to be imposed for a violation of a protective order should be dependent upon whether the violation is considered a domestic abuse violation or a non-domestic abuse violation. Your Committee deems domestic abuse violations to be generally more serious than non-domestic abuse violations.

Regarding first violations of protective orders:

- (1) Where the first violation of a protective order is domestic in nature, the violator shall be sentenced to a mandatory minimum jail sentence of not less than 48 hours; and
- (2) Where the first violation of a protective order is non-domestic in nature, the violator may be sentenced to jail for 48 hours.

Regarding second violations of protective orders:

- (1) Where the first violation is domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 30 days;
- (2) Where the first violation is non-domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours;
- (3) Where the first violation is domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours, unless the court, in writing, finds that the second violation does not warrant a jail sentence and the court provides reasons for its decision in writing;
- (4) Where the first violation is non-domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours;

Regarding third and subsequent violations of protective orders, the court shall impose a mandatory minimum sentence of not less than thirty days imprisonment.

Your Committee has amended this measure as follows:

- (1) Deleted the existing Section 1, that deals with amendments to section 586-4, HRS, and re-numbered the remaining sections. Your Committee decided not to change the law regarding temporary restraining orders;

- (2) Deleted the existing penalties under section 586-11, HRS, in paragraphs 1 and 2 and substituted new penalty provisions, as described above, in new paragraphs 1, 2, and 3; and
- (3) Made technical changes for clarity purposes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 570, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 570, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Gaulty and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 102 on H.B. No. 966**

The purpose of this bill is to provide criminal sanctions for fraudulent encoding of a credit card.

Recently, criminal elements have gained the capability of changing the magnetic encoding on a credit card. Due to this advancement in technology, a person can obtain a card, change the code to match a usable code, and use the card without being detected. The potential loss to our State's commerce can be tremendous.

Your Committee finds that this type of crime is more serious and sophisticated than simple credit card fraud or simple theft because the potential for economic loss is so great. Hence your Committee finds that classification of this new offense as a Class B felony is appropriate.

Your Committee has amended H.B. No. 966, H.D. 1, S.D. 2, by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 966, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 966, H.D. 1, S.D. 2, C.D. 1.

Representatives Tom, Bunda, Amaral, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Ikeda, Iwase, Matsunaga, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 103 on H.B. No. 1686**

The purpose of this bill is to appropriate \$1 for fiscal year 1993-1994 to be deposited into the Criminal Injuries Compensation Fund to compensate victims of criminal acts, or their service providers, as determined and authorized by the Criminal Injuries Compensation Commission.

Your Committee has amended this bill by:

- (1) Changing the appropriated amount to \$882,353.24; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1686, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1686, S.D. 1, C.D. 1.

Representatives Say, Chang, Tam and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Fukunaga, Holt, B. Kobayashi and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 104 on H.B. No. 1467**

The purpose of this bill as received by your Committee on Conference is to provide that prisoners who have been granted parole, be paroled in the county where the offense convicted of occurred and where the prisoner was sentenced, unless the prisoner:

- (1) Can establish to the satisfaction of the Hawaii Paroling Authority that the prisoner had a permanent residence and occupation or employment in another county, prior to the prisoner's incarceration; or
- (2) Will reside in a county in which the population exceeds eight-hundred thousand persons; or
- (3) Will be released for immediate departure from the State.

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

- (1) Clarifying that prisoners who have been granted parole, be paroled in the county where the prisoner had a permanent residence or occupation or employment prior to incarceration, unless the prisoner will:
  - (a) Reside in a county in which the population exceeds eight-hundred thousand persons; or
  - (b) Be released for immediate departure from the State.

This would prevent an influx of parolees whose roots are on Oahu from settling on the Neighbor Islands, as that could strain a county's social service infrastructure; and

- (2) Deleting the provision that would have required the completion of a State correctional facility with a capacity of at least 300 prisoners in a county in which the population does not exceed 800,000, before this bill could take effect.

This provision is too restrictive as the Department of Public Safety has already increased the prison population of correctional facilities on the Neighbor Islands.

In recommending the passage of this bill, your Committee would like to make it clear that this measure does not constitute an intent to restrict or preclude the Hawaii Paroling Authority from requiring or imposing, as a condition of parole, the participation of a prisoner in a treatment or counseling program as part of the rehabilitation of the prisoner in an appropriate county. Nor is it the intent of your Committee to restrict or preclude the Hawaii Paroling Authority from considering victim concerns when determining the parole of a prisoner to a particular county.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1467, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1467, H.D. 1, S.D. 1, C.D. 1.

Representatives Menor, Herkes, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 105 on H.B. No. 747**

The purpose of this bill is to amend Section 291-4, Hawaii Revised Statutes (HRS), to reduce the penalties for first offenders, who are convicted of driving under the influence of intoxicating liquor (DUI). This is being done in order to emphasize the Legislature's intent that there is no right to a jury trial for a first time DUI offender. Also, this bill deletes the provision that allows the court to install an ignition interlock system. Additionally, this bill provides that the court shall not impose a license suspension or revocation if the person's license has been administratively revoked pursuant to Part XIV of Chapter 286. However, the court shall suspend and revoke the person's license if the administrative revocation is subsequently reversed.

Your Committee has amended this measure as follows:

- (1) Included language in Section 1 stating that the amended penalty provisions for first time offenders shall be retroactive for all pending first time DUI offense cases;
- (2) Deleted the underlined language in Section 2, which referred to administrative revocation of licenses. Your Committee believes that this matter is covered more thoroughly in the proposed amendments in Section 2, subsection (b)(5) of the Senate Draft 1;
- (3) Reduced the jail sentence under Section 2, subsection (b)(1)(C)(ii) from 30 days to five days;
- (4) Made technical and non-substantive changes for the purposes of style and clarity.

It is your Committee's firm intention, as expressed unequivocally in the purpose clause of the bill, as amended, to express this Legislature's intent that first time DUI offenders have committed a "petty offense" as that term is used in a Constitutional sense. Your Committee finds that recent appellate cases have expressed concern with whether previous Legislatures intended DUI cases to be deemed a "petty offense".

In 1985, the Hawaii Supreme Court, in *State v. O'Brien*, 68 Haw. 38, 704 P.2d 883 (1985), stated that driving under the influence is a constitutionally serious offense, essentially because of the increasingly severe sentencing provisions enacted by the Legislature beginning in 1982. The Court noted that it might be persuaded to view the offense as not constitutionally serious, if a first-time offender were to be subject to a possible incarceration lasting no more than five days.

In 1992 the Hawaii Supreme Court re-examined the DUI jury trial issue in light of Act 188 of 1990, that reduced the maximum jail time for first and second time DUI offenses from six months to thirty and sixty days respectively. In that case, *State v. Jordan*, 72 Haw. 597, 825 P.2d 1065 (1992), the Supreme Court determined that the right to jury trial still applied under the Hawaii State Constitution, noting that Act 188 imposed an additional penalty for a first offense (the installation of an ignition interlock system) and that the legislative history of Act 188 of 1990 and Act 1 of the Special

Session of 1991 (that amended some of the provisions of Act 188) indicated that the Legislature continues to regard DUI offenses as a very serious crime and a very serious social problem.

Your Committee notes that in its amended form, this bill specifically sets forth the Legislature's view that it regards the repeat offenders as the serious social problem, for it is the repeat offenders who have demonstrated an unwillingness to modify their behavior. The amended bill sets forth the Legislative finding that the first-time offender is of a lesser concern, because most first-time offenders will respond to treatment, will modify their behavior, and will cease to be a hazard to the general public. Repeat offenders, on the other hand, require firmer action and represent a serious social problem. Their actions demonstrate that they are less likely to reform their behavior and hence represent a continuing danger to other motorists, passengers, pedestrians and the public in general.

Additionally, your Committee believes that the ameliorative provisions of the bill should be applicable to all first offender cases that are currently pending, and, since those accused first offenders will be facing reduced penalties for what is clearly a Constitutionally "petty" offense, there should be no right to jury trial. Upon appropriate motion, those cases should be transferred back to District Court for a bench trial.

Your Committee notes that the Hawaii Supreme Court in *State v. Von Geldern*, 64 Haw. 210, 638 P.2d 319 (1981) indicated that where a new act is ameliorative in nature, i.e. it authorizes the trial court to impose less than the current mandatory minimum sentence, it is not an ex post facto law, and may be applied retrospectively to give defendants the advantage of the new act's "more enlightened sentencing provisions."

Section 1-3 of the Hawaii Revised Statutes, however, provides that no law has any retrospective application unless otherwise expressed or obviously intended. Your Committee, therefore, believes that the expression of retroactivity in the bill, as amended, is appropriately included so that there can be no uncertainty that the Legislature intends the reduced penalty provisions to be applied retrospectively.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 747, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 747, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Oshiro and Thielen,  
Managers on the part of the House.

Senators Levin, Nakasato, Blair, Grauly and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 106 on H.B. No. 179**

The purpose of this bill is to amend Chapter 291C, Hawaii Revised Statutes, by adding a new section designating the use of high occupancy vehicle (HOV) lanes, the time of usage of the HOV lane, establishing a non-moving violation fine, and exempting responding emergency use vehicles and motorcycles from the HOV lane requirements.

Your Committee finds that HOV lanes were established as an attempt to alleviate traffic backlogs by lessening commuting times during peak traffic periods. Your Committee further finds that due to a variety of traffic safety concerns, HOV requirements have been difficult to enforce.

Your Committee has amended this bill by authorizing the issuance of citations by mail for the violation of HOV minimum occupancy requirements. More specifically, your Committee has amended this bill by:

- (1) Providing guidelines for the designation of HOV lanes and clarifying that no motor vehicle be operated in the HOV lane unless in conformance with the requisites set forth;
- (2) Stipulating that when issuing citations by mail, that police officers make a reasonable effort to be seen by the operator of the vehicle, and clarifying that upon recording the evidence of an HOV violation that the citation or summons be mailed out within forty-eight hours from the time of incident except that if the ending period is a weekend or holiday, the period shall be extended to the end of the next day which is not a Saturday, Sunday, or holiday;
- (3) Stating that when issuing a citation or summons by mail that in any subsequent proceeding for a violation that the information contained within the summons or citation shall be deemed as evidence that the registered vehicle was violating the use of the HOV lane;
- (4) Clarifying that in the event a lessee of a rental or U-drive vehicle is found violating the use of the HOV lane, the administrative judge of the court having jurisdiction may waive the requirement of the lessor providing the name and address of the lessee and impose to the lessor an administrative fee of \$50;
- (5) Stipulating that any person who violates any provision of this part shall not be guilty of a violation for which points shall be assessed pursuant to Section 286-128, Hawaii Revised Statutes;
- (6) Establishing fines for violations;
- (7) Incorporating a provision to repeal this Act on June 30, 1995; and
- (8) Making technical, non-substantive amendments for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 179, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 179, H.D. 2, S.D. 2, C.D. 1.

Representatives Oshiro, Tom, Hirono, Nakasone and Ward,  
Managers on the part of the House.

Senators Levin, Nakasato, Blair, Grauly and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 107 on H.B. No. 2050**

The purposes of this bill are to:

- (1) Raise the principal amount of special facility revenue bonds authorized;
- (2) Delete the provision prohibiting the Department of Transportation (Department) from issuing additional special facility revenue bonds; and
- (3) Allow the Department to issue special facility revenue refunding bonds for maritime and maritime operations.

Your Committee finds that the principal amount of special facility revenue bonds authorized needs to be increased from \$50 million to \$100 million to provide an option for private enterprise to finance the development of waterfront facilities. In light of recent declines in interest rates payable on bonds, your Committee finds that it is in the best interest of the State to allow the Department of Transportation to provide the maritime industry with the opportunity to refund outstanding special facility revenue bonds with special facility revenue refunding bonds at lower interest rates. Various housekeeping amendments to the statutes are needed to conform to the re-enactment of Part I and Part III of Chapter 39 by Act 28, Session Laws of Hawaii 1988.

Your Committee has amended this bill by making a technical, non-substantive amendment.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2050, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2050, S.D. 1, C.D. 1.

Representatives Oshiro, Kawakami, Nakasone, Suzuki and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Nakasato, Holt, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 108 on H.B. No. 2051**

The purposes of this bill are to:

- (1) Allow persons holding a Mexican commercial motor vehicle driver's license to drive commercial vehicles in Hawaii;
- (2) Conform the State's definition of "non-resident commercial driver's license" with the federal definition;
- (3) Prohibit a commercial driver's license holder from possessing more than one driver's license; and
- (4) Provide a legal basis to conduct hearings for drivers who operate a commercial motor vehicle while having in their body an alcohol concentration of 0.04 percent or more by weight.

Your Committee finds that the Commercial Motor Vehicle Safety Act of 1986 contains a penalty provision for states that do not meet all federal requirements specified in the Act. The Act requires the Secretary of Transportation to withhold a percentage of the amount required to be apportioned to any state, if a state does not comply with the requirements of the Act by October 1, 1993. The penalty for Hawaii's noncompliance would be the loss of \$4.4 million in the first year, and \$8.8 million for each subsequent year. This bill would ensure that the State does not lose these federal funds.

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

- (1) Incorporating a requirement that the testing of a person's blood alcohol concentration be done within three hours of the alleged violation for the results to be admissible as competent evidence, which is similar to Section 291-5(a), Hawaii Revised Statutes (HRS);
- (2) Adding a provision to clarify that Section 286-243, HRS, shall not be construed as limiting the introduction of relevant evidence of a person's blood alcohol content obtained more than three hours after an alleged violation, provided that the evidence is offered in compliance with the Hawaii Rules of Evidence, which is similar to Section 291-5(c), HRS; and
- (3) Deleting the requirement that an applicant for a nonresident commercial driver's license must surrender any nonresident commercial driver's license issued by another state or foreign country. Your Committee finds that this housekeeping amendment would have no substantive effect, as Section 286-102(c), HRS, presently

stipulates that no person shall receive a driver's license without surrendering to the examiner of drivers all valid driver's licenses in the person's possession.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2051, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2051, S.D. 1, C.D. 1.

Representatives Oshiro, Taniguchi, Herkes, Alcon and Ward,  
Managers on the part of the House.

Senators Levin, Nakasato, Blair and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 109 on H.B. No. 1276**

The purpose of this bill is to encourage the proper disposal and recovery of used lead acid batteries. Specifically, the bill requires retail sellers of lead acid batteries to include in any advertisement pertaining to lead acid batteries, language stating that the purchase price of a new lead acid battery includes the cost of used lead acid battery disposal.

During deliberations your Committee decided the intent of the bill would be better served by:

- (1) Changing the word "sale" to "price" in subsection (3) on page 2 line 18;
- (2) Adding a new subsection (4) which specifies that for businesses utilizing out of state advertising a sign no smaller than 3 square feet placed at the point of sale with the following statement may be utilized: "The price of the battery includes disposal of your old battery."; and
- (3) Making a technical, nonsubstantive revision for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1276, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1276, H.D. 2, S.D. 1, C.D. 1.

Representatives Bainum, Tom, Herkes and Thielen,  
Managers on the part of the House.

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

**Conf. Com. Rep. 110 on H.B. No. 1376**

The purpose of this bill is to assist the Kauai Electric Division of Citizens Utilities Company in providing electric service to the general public by authorizing the issuance of special purpose revenue bonds to finance capital improvement programs for the local furnishing of electric energy.

Your Committee has amended this bill by extending the period under which special purpose revenue bonds can be issued from December 31, 1996 to December 31, 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1376, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1376, S.D. 1, C.D. 1.

Representatives Bainum, Kawakami, Kanoho, Nekoba and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Matsunaga, Fernandes Salling, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 111 on H.B. No. 673**

The purpose of this bill is to define recycling as an integral part of a manufacturing process rather than a solid waste function. This bill:

- (1) Amends Chapters 342G (integrated solid waste management) and 342H (solid waste pollution) by including new definitions of "recycling" and "secondary resources";
- (2) Clarifies the definition of "composting" and establishes it as a recycling activity; and
- (3) Encourages composting as part of recycling for agricultural purposes.

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

- (1) Deleting the phrase "and compostable" from the definition of "secondary resources" in Sections 1 and 2 (page 1, line 4 and page 2, line 1);

- (2) Deleting the phrase "EPA approved" from the definition of "composting" used to describe the conditions under which organic solid wastes are decomposed and stabilized (page 2, line 10);
- (3) Stating that the process of composting under methods approved by the department, rather than under EPA approved methods, is a recycling activity (page 2, lines 16 - 17); and
- (4) Inserting a new definition of "solid waste disposal facility" in Section 1 that complements the new definition of "recycling" (page 1, lines 6 - 10).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 673, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 673, H.D. 1, S.D. 1, C.D. 1.

Representatives Bainum, Stegmaier, Morihara, Nekoba and Thielen,  
Managers on the part of the House.

Senators Chang, Kanno, Fukunaga, Levin, Solomon and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 112 on H.B. No. 2026**

The purpose of this bill is to clarify the Hawaii Air Pollution Control Act by:

- (1) Allowing the Director of Health to determine standards governing what constitutes a "covered source";
- (2) Exempting odors emanating from agricultural operations from the Act;
- (3) Adding nitrogen oxides to the definition of "regulated air pollutant";
- (4) Requiring the Department of Health (DOH) to make information on emissions available to the public during normal office hours instead of in annual reports; and specifying that only information on enforcement actions that are completed or issued need be made available to the public;
- (5) Reducing the amount of time allowed for a person to request a public hearing or submit written comments under Chapter 342B, from sixty days to not less than thirty days;
- (6) Removing the requirement that a covered source shall not be assessed for emissions of a regulated air pollutant in excess of 4,000 tons per year, and assessing a fee of not less than \$100 per ton per year on emissions in excess of 8,000 tons;
- (7) Clarifying the civil and criminal penalty provisions of Chapter 342B;
- (8) Specifying that state of mind shall not be an element of proof for civil violations; and
- (9) Repealing the definition of "modification".

Following extensive discussions, your Committee has inserted specific language in Section 1 (page 1, lines 4 - 8) that exempts agricultural operations necessary for the raising of animals or the growing or processing of crops from the hydrogen sulfide standard adopted pursuant to Chapter 342B. Your Committee finds that this amendment exempts certain agricultural operations from only the ambient standard for hydrogen sulfide of 25 parts per billion established by Chapter 11-59, Hawaii Administrative Rules. Your Committee received assurances that DOH still retains its authority to continue its regulation of agricultural operations if such activities endanger human health or welfare. In addition, DOH also retains its authority to immediately halt any operation which poses an imminent peril to public health and safety.

Your Committee has also deleted the provisions of Section 7, thereby:

- (1) Restoring the language that exempts a covered source from being assessed for emissions of a regulated air pollutant in excess of 4,000 tons per year; and
- (2) Removing the assessment of a fee not less than \$100 per ton of emissions by covered sources in excess of 8,000 tons per year.

Having reviewed fees for covered sources, your Committee finds that this is an extremely complicated issue. Accordingly, rather than attempt to amend the fee structure this session, it would be more prudent to revisit this issue in 1994, following a comprehensive and exhaustive review over the interim.

Your Committee has further amended this bill by:

- (1) Restoring language in Section 3 that requires DOH to prepare annual reports on air pollution data, and deleting references to make air pollution data available for public inspection;
- (2) Restoring the phrase "or extremely hazardous substance" to Section 342B-49 (c) and (d) (page 9, lines 5 and 15); and
- (3) Making technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2026, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2026, H.D. 2, S.D. 2, C.D. 1.

Representatives Bainum, Tom, Hirono, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Chang, Blair, Graulty and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 113 on H.B. No. 1883**

The purpose of this bill is to strengthen and clarify State law pertaining to Hawaii's barbers. Specifically, this bill would:

- (1) Eliminate requirements pertaining to certificates of registration for the practice of barbering;
- (2) Provide that applicants for barber licenses fulfill the following requirements prior to the issuance of a license:
  - (A) Be at least seventeen years of age;
  - (B) Complete a total of fifteen hundred clock hours of barber training as either an apprentice, or as a student at a school having a barbering curriculum, or any combination thereof; provided that only classes related to barbering be applied toward this requirement; and
  - (C) Take and pass a licensure examination;
- (3) Establish permit requirements for barber apprentices, and licensure requirements for barber shop applicants;
- (4) Provide that barber apprentices holding permits in effect prior to January 1, 1994 who file an application for a barber's license prior to July 31, 1994, may satisfy the aforementioned training requirement by practicing as an apprentice under the supervision of a registered barber for a six month period;
- (5) Clarify that the foregoing substantive provisions related to barber licensure requirements, and permit requirements for barber apprentices take effect on January 1, 1994; and
- (6) Make various housekeeping revisions to Chapter 438, Hawaii Revised Statutes (Practice of Barbering), for the purposes of clarity and conformity.

Upon reconsideration, your Committee has amended this bill by making technical, nonsubstantive amendments to correct typographical and formatting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1883, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1883, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Hiraki, Hirono, Menor and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, Matsuura, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 114 on H.B. No. 603**

The purpose of this bill is to require insurers to notify the Insurance Commissioner and the general public of its intent to withdraw from the State six months prior to its withdrawal. The bill, as received, also repeals the law requiring insurers to recoup through a surcharge on premiums assessments levied against them under the Hawaii Insurance Guaranty Association Act ("HIGA").

Your Committee has amended this bill by deleting the provision repealing section 431:16-115, Hawaii Revised Statutes, relating to the recoupment of HIGA assessments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 603, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 603, S.D. 1, C.D. 1.

Representatives Bunda, Ishii-Morikami, Peters and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 115 on H.B. No. 1636**

The purpose of this bill is to curb unlicensed activity in the motor vehicle repair industry by:

- (1) Authorizing the Motor Vehicle Repair Industry Board to issue citations to unlicensed mechanics and motor vehicle repair dealers; and
- (2) Establishing maximum civil penalties for violations of Chapter 437B, Hawaii Revised Statutes.

The bill, as received by your Committee, contains a repeal date of June 30, 1995. Prior complaints regarding overzealous investigations resulted in the inclusion of a repeal date in order to compel a future review of the investigative process for possible abuses.

Your Committee has amended this bill by extending the Act's repeal date from June 30, 1995 to June 30, 1996. In retaining a repeal date, it is not the intent of your Committee to condone unlicensed activity which occurs thereafter. However, it is the hope of your Committee that investigations pursuant to this Act will proceed in a civil, courteous manner, and having a "drop dead" date will allow the Legislature to revisit the matter of unlicensed motor vehicle repair in a few years to determine whether the process is working as intended.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1636, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1636, H.D. 1, S.D. 2, C.D. 1.

Representatives Bunda, Tom, Amaral, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Levin, Ikeda, Blair, Grauly and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 116 on H.B. No. 1034**

The purpose of this bill is to prohibit price increases in the rental or sale of essential commodities during a state disaster.

Specifically, this bill, as received, would:

- (1) Prohibit any increase in the selling price of any commodity, whether at the retail or wholesale level, in areas subject to a disaster declaration by the Governor, or a severe weather warning by the National Weather Service;
- (2) Prohibit landlords from terminating any tenancy for a residential dwelling unit in areas subject to a disaster declaration or a severe weather warning except for a breach of a material term of a rental agreement or lease;
- (3) Clarify that if a rent increase was contained in a written instrument signed by the tenant prior to the disaster declaration or severe weather warning, the increase may take place;
- (4) Require that the above-mentioned prohibitions remain in effect until twenty-four hours after the severe weather warning is cancelled, or until the disaster declaration is altered, amended, revised, or revoked;
- (5) Provide that in any action for violation of the foregoing prohibitions, the defendant shall be deemed not to have violated the prohibitions if:
  - (A) The defendant proves that the violation was unintentional;
  - (B) The defendant voluntarily rolls back prices to appropriate levels; and
  - (C) The defendant institutes a restitution program for consumers who may have paid excessive prices; and
- (6) Provide that any violation of the price increase limitations shall constitute an unfair method of competition and unfair and deceptive act or practice in the conduct of trade and commerce.

Your Committee noted concerns that landlords may be subject to increased liability if they are prohibited from terminating the tenancy of a residential unit that is severely damaged from a natural disaster.

Upon reconsideration, your Committee has amended this bill by:

- (1) Authorizing the landlord to terminate any tenancy for a residential dwelling unit in an area subject to a disaster declaration or a severe weather warning if the unit is deemed to be structurally unsafe; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1034, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1034, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Tom, Ishii-Morikami, Peters and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 117 on H.B. No. 773**

The purpose of this bill is to clarify laws pertaining to the recovery of premiums owned by an insolvent insurer. Specifically, this bill, as received, would clarify that the agent, broker, and premium finance company for an insolvent insurer shall not be obligated to pay uncollected unpaid unearned premiums to the liquidator.

Upon reconsideration, your Committee has made technical, nonsubstantive revisions for the purposes of correcting formatting and ramseyering errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 773, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 773, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Oshiro, Peters and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 118 on H.B. No. 1630**

The purpose of this bill is to reduce the proliferation of unlicensed activity in the State. Specifically, this bill, as received, would:

- (1) Authorize the issuance of citations to persons who engage in businesses regulated under the Professional and Vocational Licensing Act (Chapter 436B, Hawaii Revised Statutes (HRS)) without having obtained a license;
- (2) Provide that citations for unlicensed activities may contain an order of abatement and an assessment of civil penalties;
- (3) Clarify that penalties collected for unlicensed activity be deposited into the special fund established under Section 26-9(o), HRS;
- (4) Establish guidelines on civil penalties for unlicensed activities;
- (5) Establish administrative procedures for persons cited for unlicensed activities to appeal the citation;
- (6) Specify that the foregoing civil penalties be in addition to other civil and criminal penalties; and
- (7) Provide that the foregoing substantive provisions be repealed on June 30, 1995.

Upon reconsideration, your Committee has amended this bill by revising the repeal date from June 30, 1995, to June 30, 1996, and making technical, nonsubstantive revisions for the purposes of clarity and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1630, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1630, H.D. 1, S.D. 2, C.D. 1.

Representatives Bunda, Tom, Amaral, Oshiro and Marumoto,  
Managers on the part of the House.

Senators Levin, Ikeda, Blair, Graulty and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 119 on H.B. No. 1660**

The purpose of this bill is to eliminate imprisonment as a penalty for an employer who willfully refuses or neglects to make any of the reports or to give any notice required by Section 386-95, Hawaii Revised Statutes. Under this measure, offenders would be subject to an administrative penalty of not more than \$10,000.

Upon careful consideration, your Committee has amended this bill by decreasing the administrative penalty from "not more than \$10,000" to "not more than \$5,000".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1660, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1660, S.D. 1, C.D. 1.

Representatives Yonamine, Tom, Alcon, Oshiro and Thielen,  
Managers on the part of the House.

Senators Levin, McCartney, Blair, Gaulty, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 120 on H.B. No. 1665**

The purpose of this bill is to make the State's occupational safety and health law relating to discrimination consistent with the federal law. Among other things, this bill states that no person shall discharge, suspend or discriminate in terms and conditions of employment against any employee because the employee has filed a complaint or instituted any other proceeding under Section 396-8, Hawaii Revised Statutes.

Your Committee has amended this bill to correct technical drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1665, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1665, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Tom, Chun, Takumi and Thielen,  
Managers on the part of the House.

Senators Levin, McCartney, Blair, Gaulty, Kanno and Reed,  
Managers on the part of the Senate.

**Conf. Com. Rep. 121 on H.B. No. 2028**

The purpose of this bill is to:

- (1) Prohibit the disposal of used motor vehicle tires in landfills or at any municipal solid waste incinerator; and
- (2) Mandate that the retailer and the wholesaler who sell new tires shall collect and deliver the used motor vehicle tires to an authorized motor vehicle waste collection facility.

The disposal of tires at landfills or any municipal solid waste incinerator has presented several problems. When tires are disposed at landfills, the tires are extremely difficult to compact and tend to collect gases in the centers causing the tires to rise through the landfill. As the tires rise through the landfill, the tires disrupt the compaction and impact the integrity of the final cover. Moreover, the disposal of tires in landfills also contribute to the long burning landfill fires which are difficult to extinguish.

Additionally, when tires are disposed at municipal solid waste incinerator facilities, the steel belts within the tires clog the shredders which prepare the refuse derived fuel prior to incinerating. The passage of this measure would stimulate the recovery of used motor vehicle tires and minimize the administrative costs of insuring the proper disposal of tires by allowing the tire industry to develop its own market-driven solutions.

Since tire recycling facilities will be established as a result of this bill the feeling of the Committee was that county agencies could take used tires directly to these facilities.

Accordingly your Committee has amended this bill by:

- (1) Inserting the section entitled "Motor vehicle tires; disposal in landfill or municipal solid waste incinerator prohibited" proposed by the Department of Health;
- (2) Deleting paragraph (a)(2) under Section 342I- entitled "Motor vehicle tires; collection for recycling";
- (3) Changing the wording in subsection (c) from "sale" to "price" in connection with any advertising pertaining to the price of motor vehicle tires; and
- (4) Adding a new subsection (d) which states "For businesses utilizing advertising pre-printed out of the state a sign no smaller than 3 square feet, placed at the point of sale stating: "The price of tires includes disposal of your old tires" may be substituted."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2028, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2028, H.D. 2, S.D. 1, C.D. 1.

Representatives Bainum, Tom, Hirono, Menor and Thielen,  
Managers on the part of the House.

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

**Conf. Com. Rep. 122 on H.B. No. 1971**

The purpose of this bill is to prohibit certain activities related to the promotion or sale of time share plans or units which tend to deceive or mislead consumers.

Time share booths are identified as "activities booths" or "information booths" and advertise substantially reduced rates on tourist activities. Tourists are lured to the booths by these advertisements, and are then subjected to high pressure sales tactics of time share sales persons. These deceptive practices are not conducive to the promotion of the tourist industry in Hawaii. This bill would require that time share booths post at least one sign identifying themselves as such. In addition, this bill would regulate the representations which can be made to prospective purchasers regarding time share units or plans.

Your Committee finds that time share sales persons offer tourist activities at less than cost in order to induce prospective clients to purchase time share units or attend time share marketing events. Your Committee finds that these practices, if unchecked, would tend to drive independent retailers of tourist activities out of business, adversely affecting the tourist industry in Hawaii. Your Committee feels that the danger of this practice to the marketplace, once prohibited, may pass and thus has included a five-year sunset provision for the prohibition.

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

- (1) Deleting the language regarding time share booth signage requirements from paragraph (2) and inserting it in paragraph (11);
- (2) Clarifying the language which prohibits time share sales agents or acquisition agents from selling tourist activities below cost in paragraph (13) by tracking the language of Section §481-3, Hawaii Revised Statutes;
- (3) Adding a sunset provision repealing paragraph (13) five years from the effective date of the Act; and
- (4) Making technical, non-substantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1971, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1971, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Ishii-Morikami, Bainum and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, Tungpalan and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 123 on H.B. No. 1736**

The purpose of this bill, as received, is to make various housekeeping amendments to Hawaii's Insurance Code by updating provisions, correcting ambiguous statutes, and streamlining the insurance laws to facilitate its administration.

Upon reconsideration, your Committee has amended this bill by making technical, nonsubstantive revisions for the purposes of correcting typographical and formatting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1736, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1736, H.D. 2, S.D. 1, C.D. 1.

Representatives Bunda, Say, Ishii-Morikami, Suzuki and Marumoto,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 124 on H.B. No. 775**

The purposes of this bill, as received, are to:

- (1) Limit the number of motor vehicle insurance policies that an insurer may not renew or may conditionally renew each year;
- (2) Reduce the fines for a conviction of failure to have a no-fault policy in effect;
- (3) Eliminate the requirement that an insurer offer an insured the option to stack uninsured motorist and underinsured motorist coverage; and
- (4) Require an insurer to factor into its rates any savings realized as a result of the measures enacted under Acts 123 and 124, Session Laws of Hawaii 1992.

Your Committee finds that current conditions in the State's insurance market necessitate changes to Hawaii's insurance laws in order to attract more insurers into the market and to increase the availability of motor vehicle insurance for Hawaii's residents. Accordingly, your Committee has amended this bill by:

- (1) Repealing the requirement that insurers "take all comers" eligible for no-fault insurance coverage.
- (2) Expanding coverage under the Joint Underwriting Plan ("JUP") to include drivers unable to obtain motor vehicle insurance from at least two insurers;
- (3) Eliminating the ceiling on premium rates under the JUP;
- (4) Creating an additional exception to the prohibition against nonrenewal of no-fault policies to cover the limited number of nonrenewals or conditional renewals permitted under this Act;
- (5) Eliminating the requirement that an insurer offer an insured both the option to stack uninsured and underinsured motorist coverage, and the option of uninsured and underinsured motorist coverage in an amount not less than the maximum bodily injury liability coverage in the insured's policy; and
- (6) Providing that distributions of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members or employees, distributions of prepaid or capitated health care premiums, and payments of fee-for-service withheld amounts are subject to the requirements of section 431:10C-308.7.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 775, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 775, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Herkes, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 125 on H.B. No. 1592**

The purpose of this bill is to update the requirements and procedures for issuing Hawaii state identification cards and to increase the card fees.

Your Committee finds that requiring only the right thumbprint of applicants will reduce the amount of time it takes to process an identification card without compromising the accuracy of the card. Additionally, requiring applicants to provide their permanent address will decrease the number of cards that are processed for tourists using their hotel addresses on the application. Finally, your Committee finds that there has been no increase in the fee for the card since 1982. An increase in the fees is needed to reflect the actual costs of producing the cards.

Your Committee has amended H.B. No. 1592, H.D. 1, S.D. 2, by providing that until rules are established, the fee may be waived in cases of extreme hardship.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1592, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1592, H.D. 1, S.D. 2, C.D. 1.

Representatives Tom, Alcon, Menor and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Blair, Hagino and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 126 on H.B. No. 1730**

The purpose of this bill is to amend Hawaii's Insurance Code to enable the Insurance Division of the Department of Commerce and Consumer Affairs to meet accreditation standards of the National Association of Insurance Commissioners (NAIC). Specifically, this bill would:

- (1) Establish standards by which to measure whether insurance companies are deemed to be in hazardous financial condition and provide authority for the Commissioner to take certain actions to protect consumers and cure the financial difficulty;
- (2) Update Chapter 431K to include clarification on purchase group taxation;
- (3) Amend Section 431:3-301 to require each insurer to prepare the annual statement in accordance with the NAIC Practices and Procedures Manual;
- (4) Amend Section 411:3-306 to forbid insurers to retain, net, any risk on any one subject of insurance that exceeds ten percent of its surplus to policyholders;

- (5) Amend Section 11-104 to clarify whether a person controlling a domestic insurer is included in the definition of domestic insurer;
- (6) Amend Section 431:11-106 to further define the determination of the extraordinary dividend; and
- (7) Make administrative corrections.

Upon reconsideration, your Committee has amended this bill by:

- (1) Using H.B. No. 1730, H.D. 2, as the vehicle for reinstating the deleted essential parts of S.D. 2, as H.D. 2 contained the final statutory requirements needed for Hawaii to achieve accreditation by NAIC;
- (2) Increasing funding for the Insurance Examiners' Revolving Fund by requiring each insurer licensed in the State to pay \$550 annually to the Fund;
- (3) Requiring quarterly reports to the Legislature on expenditures made from the Fund including non-payroll operating expenses;
- (4) Clarifying the authority of the Fund to employ and compensate examiners and administrative support personnel, and purchase equipment necessary for financial examinations;
- (5) Deleting the term "per diem" when discussing compensation and including the term when discussing living expenses;
- (6) Providing additional staff needed to comply with the NAIC requirements for accreditation and recommending that these positions be funded by the increase in the Insurance Examiners Revolving Fund;
- (7) Containing the provisions of the Model Law on Examinations without which Hawaii cannot be accredited by the NAIC deadline of January 1994;
- (8) Narrowing the scope of the immunity from liability provision to only examiners or any other independent contractors appointed by the Commissioner; and
- (9) Making technical and non-substantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1730, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1730, H.D. 2, S.D. 2, C.D. 1.

Representatives Bunda, Say, Bainum, Ishii-Morikami and Ward,  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 127 on H.B. No. 1089**

The purpose of the bill is to change the manner in which attorneys' fees are determined in assumpsit actions.

Your Committee finds that attorneys' fees in assumpsit actions are often based on a percentage as opposed to an hourly rate, and that the current law does not fairly compensate the creditor for the expense of retaining an attorney to prosecute its claim, nor does it fairly compensate the defendant who prevails against a creditor's faulty claim.

Your Committee also finds that §607-17, Hawaii Revised Statutes should be eliminated, and its provisions incorporated within §607-14. In doing so, it is not your Committee's intention to expand the category of cases in which attorneys fees are awarded, but instead to bring uniformity to the procedure for taxing attorneys fees in the type of cases described in this measure.

Further, your Committee finds that an increase in the fees permitted garnishees is long overdue for adjustment.

Therefore, your Committee has amended this measure by incorporating the applicable provisions of §607-17 into §607-14, repealing §607-17, and increasing garnishee fees in District and Circuit Courts to \$10.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1089, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1089, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Hirono, Menor and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 128 on H.B. No. 1628**

The purpose of this bill is to recodify the laws relating to financial institutions. Laws governing banks, savings and loans, trust companies, credit unions, and financial services loan companies have been amended in a piecemeal fashion throughout the years. This measure, which is the result of a joint three year effort between state regulators and the various financial industries, organizes and unifies the laws, and strengthens the regulatory framework for financial institutions. The bill also updates the laws to be consistent with changes which have occurred within the financial marketplace and the regulatory environment, including changes in federal law.

The bill, as received:

- (1) Requires that any financial institution which is a wholly owned subsidiary of a holding company in another state, have a board of directors consisting of at least five directors, including at least one who shall be a resident of this State when elected and while serving on the board;
- (2) Prohibits a bank, savings bank, savings and loan association, or trust company from engaging in any business for which a real estate broker's license is required, or in the business of a securities broker or dealer, subject to exceptions;
- (3) Allows a financial services loan company to collect a premium or fee for the sale or referral of credit related insurance products; and
- (4) Requires that before the Insurance Commissioner can examine a financial institution's holding company, good cause must exist to believe that the holding company is experiencing financial adversity which will have a material negative impact on the institution's safety and soundness.

Upon consideration, your Committee has amended the bill by reducing the minimum paid-in capital and surplus requirements set forth in section 412:3-209(a), as follows:

(1)	Banks	\$5,000,000
(2)	Savings banks	\$3,000,000
(3)	Savings and loan associations	\$2,000,000
(4)	Trust companies	\$1,500,000
(5)	Depository financial services loan companies	\$1,000,000

Your Committee has also amended this bill by making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Cachola, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 129 on H.B. No. 1885**

The purpose of this bill is to provide the Department of Commerce and Consumer Affairs with greater latitude and fiscal flexibility in administering Hawaii's regulatory laws.

Specifically, this bill, as received, would:

- (1) Provide that effective July 1, 1994, fees collected by the Professional and Vocational Licensing Division and the Business Registration Division be deposited into the Compliance Resolution Fund (Fund) and be used to defray administrative and personnel costs incurred by the two divisions;
- (2) Require professional solicitors and professional fund-raising counsels to pay a \$10 administrative fee, and an annual fee of \$10 upon registration;
- (3) Provide that moneys from the Fund also be used to defray administrative and personnel costs incurred by the Regulated Industries Complaints Office;
- (4) Require the Director of Commerce and Consumer Affairs (Director) to include the expenditures made from the Fund, including non-payroll operating expenses in an annual report to the Legislature;
- (5) Authorize the Department of Commerce and Consumer Affairs (Department) to change license renewal dates by administrative rules;

- (6) Authorize the Director to establish voluntary advisory committees, to be appointed from a list of licensees submitted annually by the Board for which the advisory committee is appointed, to serve as:
  - (A) Consultants to the Board during its review of licensees referred for possible disciplinary action; and
  - (B) Experts to the Department for investigations;
- (7) Eliminate provisions that required members of State Boards or Commissions to practice in the State for specific time periods for the following professions:
  - (A) Barbers (Chapter 438, Hawaii Revised Statutes (HRS));
  - (B) Cosmetologists (Chapter 439, HRS);
  - (C) Chiropractic Examiners (Chapter 442, HRS);
  - (D) Contractors (Chapter 444, HRS);
  - (E) Dentists (Chapter 448, HRS);
  - (F) Hearing Aid Dealers (Chapter 451A, HRS);
  - (G) Massage Therapists (Chapter 452, HRS);
  - (H) Nurses (Chapter 457, HRS);
  - (I) Optometrists (Chapter 459, HRS);
  - (J) Pest Control Operators (Chapter 460J, HRS);
  - (K) Pharmacists (Chapter 461, HRS);
  - (L) Physical Therapists (Chapter 461J, HRS);
  - (M) Professional Engineers, Architects, Surveyors, and Landscape Artists (Chapter 464, HRS);
  - (N) Psychologists (Chapter 465, HRS);
  - (O) Real Estate Brokers (Chapter 467, HRS);
  - (P) Veterinary Examiners (Chapter 471, HRS); and
- (8) Make various housekeeping amendments to Hawaii's regulatory laws for the purposes of clarity, style, and conformity.

Upon reconsideration, your Committee has amended this bill by:

- (1) Revising the Act's effective date from July 1, 1994 to July 1, 1993;
- (2) Reinstating the experiential requirements for the aforementioned professions;
- (3) Eliminating the phrase "in the State" for the following professions:
  - (A) Barbers (Chapter 438, HRS);
  - (B) Chiropractic Examiners (Chapter 442, HRS);
  - (C) Dentists (Chapter 448, HRS);
  - (D) Nurses (Chapter 457, HRS);
  - (E) Pharmacists (Chapter 461, HRS);
  - (F) Physical Therapists (Chapter 461J, HRS);
  - (G) Veterinary Examiners (Chapter 471, HRS); and
- (3) Making technical, nonsubstantive revisions for the purpose of correcting typographical and formatting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1885, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1885, H.D. 2, S.D. 2, C.D. 1.

Representatives Bunda, Tom, Kanoho and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Ikeda, Iwase, B. Kobayashi, Tungpalan and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 130 on H.B. No. 25**

The purpose of this bill is to require that minutes of the board of directors and association of apartment owners be approved at the next succeeding meeting, and that minutes of all meetings shall be available within seven calendar days after approval. The bill also amends Section 514A-21, Hawaii Revised Statutes, to clarify ambiguities in the section as it relates to leasehold condominium projects.

Upon reconsideration, your Committee has amended this bill by:

- 1) Stating that unapproved final drafts of minutes shall be made available within sixty days after the meeting.
- 2) Making technical, non-substantive amendments for the purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 25, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 25, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Bainum, Cachola and Thielen,  
Managers on the part of the House.

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

**Conf. Com. Rep. 131 on H.B. No. 1881**

The purpose of this bill is to clarify state law pertaining to the regulation of charitable organizations, professional fundraising counsel, and professional solicitors. This measure amends Chapter 467B, Hawaii Revised Statutes, to address free speech concerns arising out of the United States Supreme Court's decision in Riley v. National Federation of the Blind of North Carolina, Inc., et al., 108 S. Ct. 2667 (1988).

Your Committee has amended the bill by correcting a typographical error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1881, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1881, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Tom, Menor, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, B. Kobayashi, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 132 on H.B. No. 1370**

The purpose of this bill is to establish the Mount Olomana state monument as a historic landmark and to direct the Department of Land and Natural Resources to acquire the lands necessary to preserve the site.

Your Committee finds that Mount Olomana is an important landmark that requires immediate protection before its beauty and integrity, as well as the Kanahau Heiau located on its slopes, are irreparably damaged by development. This bill will ensure the preservation of Mount Olomana as a natural and perpetually open area, protecting its scenic beauty and cultural value for future generations.

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

- (1) Broadening the definition of Mount Olomana's significance to include "visual, cultural, and historical" aspects;
- (2) Amending the designation of Mount Olomana to "historic landmark" from "historical site";
- (3) Specifying that the Department of Land and Natural Resources shall acquire through purchase, land exchange, or both, the lands which the Mount Olomana state monument will encompass; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1370, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1370, H.D. 2, S.D. 2, C.D. 1.

Representatives Nekoba, Tajiri, Beirne, Kawakami and Thielen,  
Managers on the part of the House.

Senators Iwase, A. Kobayashi, Tungpalan, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 133 on H.B. No. 1537**

The purpose of this bill is to amend Section 291C-168.5, Hawaii Revised Statutes, to state that the lessor of a rental or U-drive motor vehicle may charge the lessee the actual amount of a parking citation plus an administrative fee not to exceed twenty dollars, if the rental agreement discloses in at least ten-point bold typeface plain language the amount of the administrative fee and language encouraging the lessee to pay the parking citation directly.

Upon reconsideration, your Committee has amended the bill by inserting H.B. No. 1537, H.D. 1 which amends Chapter 437D, Hawaii Revised Statutes and contains the same substantive language.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1537, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1537, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Herkes and Thielen,  
Managers on the part of the House.

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

**Conf. Com. Rep. 134 on H.B. No. 1624**

The purpose of this bill is, among other things, to:

- (1) Clarify provisions of Chapter 514C, Hawaii Revised Statutes, pertaining to the right of first refusal of the association of apartment owners (association) of a condominium project or a cooperative housing corporation (corporation) to purchase the leased fee interest under a project when the lessor wishes to sell that interest; and
- (2) Require that persons acquiring residential houselots pursuant to Chapter 516, Hawaii Revised Statutes, be bona fide residents of the State and actually reside on the lot within two years of its purchase, except in hardship circumstances as determined by the Housing Finance and Development Corporation on a case by case basis.

After careful deliberation, your Committee has amended this bill by:

- (1) Establishing that a lessor may sell the leased fee interest under a condominium or cooperative project to individual lessees, provided that the certain requirements have been met. In essence, these requirements are as follows:
  - (A) No lessee shall be obligated to enter into a contract to purchase without having been afforded at least 90 days to consider the lessor's offer, and the lessee may terminate a contract to purchase without penalty anytime within 90 days from the contract execution date;
  - (B) The lessor, upon communicating an offer to sell to the lessee, shall provide the association or the corporation with written notice of the lessor's intent to sell that interest, together with a copy of the offer;
  - (C) The association or corporation shall have a right of first refusal to purchase the leased fee interest at the same price as the foregoing offer; provided that the board or directors of the association or corporation has written authorization to represent its members; and provided further that such acceptance is made within 120 days of the association's or corporation's receipt of written notice of the offer from the lessor/seller;
  - (D) Notwithstanding the foregoing provisions, the board has the right to waive or partially waive the association or corporation's right of first refusal at the written request of the lessee, without having to amend any bylaws, charter, or other governing documents;
  - (E) The individual lessee shall have the right to represent himself or herself in the lease-to-fee conversion by giving written notice of such desire to the lessor and the board of directors; and
  - (F) After the lessor has been able to hold one meeting with the lessees and has provided a written summary of the meeting to the lessees, then for a period of 90 days thereafter, the lessor shall not initiate communication with the lessees regarding the offer, other than responding to the lessee's inquiries;
- (2) Clarifying that the lessor shall not sell the leased fee interest under a project containing one or more residential units unless the association or corporation's right of first refusal has been rejected by the board of directors, except in the case of sales to individual condominium unit lessees or cooperative unit lessees as established above;

- (3) Deleting all language pertaining to amendments of Sections 514C-2, 514C-3, and 514C-6;
- (4) Requiring that no application to purchase a houselot under Chapter 516 shall be accepted and no sale of such lot shall occur unless the purchaser is a bona fide resident of the State and resides on the lot purchased;
- (5) Allowing exception to the foregoing Chapter 516 residency requirement in hardship circumstances as determined by the Housing Finance and Development Corporation on a case by case basis where such inability arises out of a temporary job or military transfer, a temporary educational sabbatical, or serious illness of the person;
- (6) Providing that if the foregoing purchaser or the lessor disagrees with the corporation's determination, they shall be entitled to a contested case proceeding under Chapter 91 in which both shall be parties; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1624, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1624, H.D. 2, S.D. 1, C.D. 1.

Representatives Isbell, Bunda, Cachola, Peters, Santiago and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 135 on H.B. No. 66**

The purpose of this bill is to enhance the State's authority to regulate the sale of petroleum products in the State. Specifically, this bill would, among other things:

- (1) Require jobbers to post the wholesale prices of on the premises in which petroleum products are sold;
- (2) Prohibit refiners, jobbers, and distributors from:
  - (A) Refusing to sell to two or more purchasers any petroleum products; and
  - (B) Selling petroleum products to any retailers at a price higher than the lowest prices sold or offered for sale by the supplier to any wholesaler, jobber, or distributor;
- (3) Clarify that violations of the aforementioned substantive provisions shall constitute a misdemeanor offense, and that each day of each violation shall constitute a separate offense;
- (4) Exempt gasoline dealers who act solely as public utility engaging in the retail sale of gasoline to motor vehicles from registration requirements;
- (5) Prohibit manufacturers from operating a retail services station for the sale of petroleum products; and
- (6) Provide the Attorney General the authority to commence civil action to enforce the aforementioned provisions.

Upon reconsideration, your Committee has amended this bill by:

- (1) Inserting a period certain for the moratorium on the operation of service station by manufacturers;
- (2) Deleting the provision directing the Auditor to conduct a study on the feasibility of creating a commission to regulate the petroleum industry; and
- (3) Adding a provision requiring the Attorney General to continue its ongoing study and review of practices in the petroleum industry, including, but not limited to, the selling, purchasing, and pricing of petroleum products. The bill also requires that the Attorney General examine the impacts of the industry's organizational structure on manufacturers, jobbers, independent retailers, and consumers. The bill further and directs the Attorney General to submit an interim report no later than twenty days prior to the convening of the 1994 Regular Session, and a final report no later than twenty days prior to the convening of the 1995 Regular Session; and
- (5) Making technical, nonsubstantive revisions for the purpose of clarity, conformity, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 66, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 66, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Bainum, Ishii-Morikami, Tom and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, Matsunaga, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 136 on H.B. No. 1734**

The purpose of this bill is to state that those persons licensed under Chapters 453 and 460, Hawaii Revised Statutes, who desire to practice acupuncture shall be subject to licensing under Section 436E-3.5.

Upon reconsideration, your Committee has amended the bill by making technical, non-substantive amendments for the purposes of style and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1734, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1734, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Cachola, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 137 on H.B. No. 1732**

The purpose of this bill is to expand regulatory oversight of out-of-state pharmacies. Specifically, this bill, as received, would:

- (1) Require out-of-state pharmacies and entities engaging in the distribution, shipping, mailing, or delivery of prescription drugs into the State to obtain a permit from the Board of Pharmacy (Board);
- (2) Specify that applicants for a pharmacy permit provide the following prior to the issuance of a pharmacy permit:
  - (A) A list of the location, names, and titles of the principal corporate officers;
  - (B) Proof that the applicant has not been found in violation of state or federal drug laws; and
  - (C) Verification of a valid license, permit, or registration to conduct the pharmacy in compliance with applicable laws;
- (3) Authorize the Board to collect fees for the foregoing applications and permits; and
- (4) Allow the holder of an expired permit to renew the permit within three years of the expiration date, provided that the holder meets the requirements for the renewal of the permit.

Upon reconsideration, your Committee has amended this bill by:

- (1) Inserting language that would require out-of-state pharmacies or entities engaging in the practice of pharmacy to have in its employ a registered pharmacist prior to the issuance of a pharmacy permit; and
- (2) Making technical, nonsubstantive revisions for the purposes of clarity and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1732, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1732, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Tom, Cachola, Ishii-Morikami and Thielen,  
Managers on the part of the House.

Senators Ikeda, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 138 on H.B. No. 464**

The purpose of this bill is to: (1) establish a marine and coastal affairs program within the Office of State Planning to strengthen the State's ability to coordinate various agency responsibilities for ocean policy development and ocean resource management, (2) add a provision which elevates the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division status, and (3) repeal Chapter 228 in its entirety.

Your Committee finds that the measures specified in this bill would be helpful to the State in implementing the Hawaii ocean resources management plan.

Your Committee amended this bill by amending section -6 to focus the make-up of the advisory council to include sixteen members. The members would include representatives from: the planning directors of each of the counties, the Department of the Attorney General, the Department of Land and Natural resources, the Department of Health, the Department of Transportation, the Department of Business, Economic Development, and Tourism, the University of

Hawaii's School of Ocean and Earth Science and Technology, five non-government members appointed by the Governor to serve staggered terms of not more than four years, and the director of the Office of State Planning as chair.

In light of current fiscal constraints, it has been agreed that these advisory council members shall serve without compensation. Furthermore, your Committee has added a provision that the elevation of the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division level be financed within the department itself.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 464, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 464, S.D. 1, C.D. 1.

Representatives Hiraki, Say, Apo, Chang and Ward,  
Managers on the part of the House.

Senators Matsunaga, Iwase, Kanno, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 139 on H.B. No. 1047**

The purpose of this bill is to extend the existence of the Convention Center Authority from June 30, 1994 to an undesignated date, by which time a development agreement must be approved.

Your Committee finds that an extension will provide the authority with additional time to continue to work on the development of a world-class convention center to revitalize the visitor industry.

Your Committee revised the bill by:

- (1) Removing the provision making the existence of the authority conditional upon the approval of the development agreement;
- (2) Changing the expiration date from June 30, 1994 to June 30, 1995, at which time the Convention Center Act will automatically expire; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1047, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1047, H.D. 1, S.D. 1, C.D. 1.

Representatives Cachola, Say, Chang, Chumbley and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Nakasato, Holt, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 140 on H.B. No. 2042**

The purpose of this bill is to create the Hawaii State Library Foundation Trust Fund to support library programs.

Upon consideration, your Committee has amended the bill by:

- (1) Including a provision that exempts the public library system from the law relating to the operation of concessions on public property by blind or visually-handicapped persons;
- (2) Repealing Section 312-4, Hawaii Revised Statutes, which requires income from the operation of libraries to be credited to the general fund; and
- (3) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2042, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2042, H.D. 1, S.D. 2, C.D. 1.

Representatives D. Ige, Tajiri, Apo and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Fukunaga, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 141 on H.B. No. 1473**

The purpose of this bill is to spread the utility repair and restoration costs resulting from a state-declared disaster among electric and telephone ratepayers statewide.

Under this bill, any utility sustaining damages to its facilities which would require ratepayers in a service area to incur a rate increase of more than fifteen percent would be eligible to apply to the Public Utilities Commission (PUC) for recovery of these costs through a monthly surcharge assessed on a statewide basis. This bill:

- (1) Stipulates that the PUC may issue an order authorizing the implementation of a surcharge within sixty days after filing of an application, provided that the PUC determines upon notice and hearing that the surcharge is just, reasonable, and in the public interest;
- (2) Limits the surcharge assessment to not more than fifteen percent of average customer rates on other islands;
- (3) Requires the PUC to exclude ratepayers in service areas with rates which may be substantially higher than other service areas in the state;
- (4) Requires the PUC to ensure that the amounts collected by the utility through the surcharge will not exceed its net repair and restoration costs;
- (5) Limits the surcharge assessment time period to ten years;
- (6) Authorizes the PUC to revise the surcharge to reflect changes in actual repair and restoration net costs or outside sources of recovery; and
- (7) Requires utility companies authorized to assess the surcharge to separately state the amount of the assessment on each affected ratepayer's monthly bill.

Your Committee acknowledges that state-declared disasters such as Hurricane Iniki can devastate the operations and facilities of utilities that provide vital services to the people of Hawaii. In the aftermath of disasters such as Iniki, these utilities face immense costs to repair and restore their damaged facilities and would normally recover these costs through substantial rate increases on their customers.

Your Committee finds that assessing net repair and restoration costs solely against utility customers directly served by the damaged utility facilities imposes an extreme financial burden on persons who have already suffered significant physical, mental, emotional, and financial hardship as a result of the disaster. To alleviate this hardship, it is necessary and proper that the costs of repairing and restoring utility facilities be shared and borne by the entire community.

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

- (1) Requiring the PUC to periodically review the order to ensure that the amounts collected do not exceed the actual repair and restoration net costs;
- (2) Extending the time from sixty to ninety days in which the PUC may issue an order authorizing the implementation of a surcharge after the filing of an application;
- (3) Defining "restoration and repair costs" as those costs necessary to restore facilities to a functional level substantially the same as that existing immediately before the disaster, and not to include the costs of upgrades or enhancements; and
- (4) Exempting from tax liability under Chapters 235 (income tax), 239 (public service company tax), and 240 (franchise tax), Hawaii Revised Statutes, a utility company serving as a collector, and not the final recipient of surcharge assessments.

In determining that this bill is for the public good, it is your Committee's intent that ratepayers statewide should not be burdened beyond the actual costs of repairing and restoring damaged facilities, aside from inherent and reasonable administrative charges. In exempting a collecting utility from state taxes and fees otherwise payable under Chapters 235, 239, and 240, Hawaii Revised Statutes, state and federal taxing authorities should not conclude that the affected utility should pay taxes on the amounts it receives from the surcharge.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1473, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1473, H.D. 2, S.D. 2, C.D. 1.

Representatives Bunda, Say, Kanoho, Ishii-Morikami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Matsunaga, Fernandes Salling, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 142 on H.B. No. 1563**

The purpose of this bill is to explore a cost effective alternative to, and improve the State's water quality monitoring program by empowering the Department of Health to establish a pilot program in which volunteers will survey and sample the State's water. The general target area of the proposed pilot program is the water system draining into the Kailua and Waimanalo Bay areas on Oahu.

Your Committee finds that a program utilizing volunteers to monitor water quality may provide an effective and inexpensive method of supplementing the Department of Health's current water quality monitoring program. Such programs have proven their effectiveness in other states. To determine their feasibility in this state, the program should be examined in the context of Hawaii's water quality monitoring problems and issues.

After further consideration, your Committee has agreed to adopt H.B. No. 1563, H.D. 2, with an amended dollar amount of \$45,000. Your Committee further amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1563, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1563, H.D. 2, S.D. 2, C.D. 1.

Representatives Duldulao, Chang, Isbell, Morihara and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 143 on H.B. No. 434**

The purpose of this bill is to enable emergency medical service personnel to administer early defibrillation to victims of cardiac arrest.

Your Committee has agreed to adopt the Senate version of H.B. No. 434 with the following amendments:

- (1) Changing the specific appropriation of \$1 to \$45,000 and specifying that the foregoing sum is for the purposes of purchasing six defibrillation devices at \$7,500 each; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 434, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 434, H.D. 2, S.D. 1, C.D. 1.

Representatives Duldulao, Tajiri, Arakaki, Morihara and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Kanno, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 144 on H.B. No. 1374**

The purpose of this bill is to appropriate funds for a dialysis machine for North Hawaii.

Your Committee, being aware of the extreme hardships being experienced by North Hawaii patients needing dialysis treatment, strongly supports the purchase of a dialysis machine for the North Hawaii area. Your Committee believes that through the purchase of such a machine, accessibility of such an important service to the people of North Hawaii will be greatly improved.

Your Committee has agreed to adopt HB 1374 HD1 with an amendment appropriating \$16,000 for the purchase of a dialysis machine.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1374, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1374, H.D. 1, S.D. 1, C.D. 1.

Representatives Duldulao, Tajiri, Isbell and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Kanno, Levin and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 145 on H.B. No. 785**

The purpose of this bill is to appropriate funds to the Legislative Reference Bureau (LRB) for publication of replacement volumes to the Hawaii Revised Statutes, to employ temporary staff to accomplish this task, and to require the Lieutenant Governor and LRB to explore various methods and procedures for printing and distributing the replacement volumes to hold costs to a minimum.

The replacement volumes will contain all laws in the 1985 replacement volumes as amended and supplemented by the Legislature from 1986 through 1993, and a replacement index in an edition year to be designated by the Revisor of Statutes.

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

- (1) Clarifying that a single-volume, 1993 in-lieu supplement will be published instead of the 1993 cumulative pocket part supplements in Section 2;
- (2) Amending the appropriation amount to \$1,000,000 for fiscal year 1993-94 in Section 4; and
- (3) Changing the date the funds will lapse from June 30, 1996 to June 30, 1994 in Section 5.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 785, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 785, H.D. 1, S.D. 2, C.D. 1.

Representatives Kanohe, Nekoba and Marumoto,  
Managers on the part of the House.

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

**Conf. Com. Rep. 146 on H.B. No. 1771**

The purposes of this bill as received by your Committee on Conference are to:

- (1) Ensure that moneys deducted from the wages of inmates participating in Correctional Industries venture agreements be deposited into the Correctional Industries Revolving Fund (Fund);
- (2) Allow the proceeds in the Fund to be used to reimburse the incarceration costs of inmates related to the inmates' participation in Correctional Industries venture agreements; and
- (3) Make a one-time appropriation to recover moneys previously paid to the general fund from the wages earned by inmates participating in Correctional Industries venture agreements.

Essentially, the Senate Draft differs from the House Draft in one respect, that is, the Senate Draft provides for a one-time appropriation to recover moneys previously paid to the general fund from the wages earned by inmates participating in Correctional Industries venture agreements. The Senate included this provision to indicate its intent to support and expand the Correctional Industries program. Your Committee has agreed to accept this provision, and in effect has agreed for the most part to accept the Senate Draft.

Your Committee has amended the Senate Draft by inserting \$65,000, as the amount to be appropriated.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1771, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1771, H.D. 2, S.D. 1, C.D. 1.

Representatives Menor, Kawakami, Amaral, Santiago and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Koki, Blair, Hagino and McCartney,  
Managers on the part of the Senate.

**Conf. Com. Rep. 147 on H.B. No. 1154**

The purpose of this bill is to provide financial relief to certain parties to encourage and assist the tourist industry and other businesses on Kauai in the wake of Hurricane Iniki.

More specifically, this bill:

- (1) Exempts from the general excise tax (GET) and the transient accommodations tax (TAT), amounts received by qualified facilities furnishing transient accommodations and businesses located on their premises;
- (2) Excludes remuneration in excess of \$7,000 paid by employers to persons employed at qualified facilities or businesses located on their premises from the requirement of a contribution under the employment security law; and
- (3) Exempts from the GET, amounts received under property and casualty insurance policies by a business or trade for damage or loss of inventory due to a natural disaster.

On September 11, 1992, one of nature's most destructive forces, named Hurricane Iniki, ran a course of destruction over parts of our State. Hardest hit was the island of Kauai, which found itself devastated in the hurricane's wake. Many Kauai residents saw their life's work and possessions destroyed by Hurricane Iniki's mighty winds and waves. People were injured and a few lost their lives in the storm. Jobs and businesses were gone. Houses were uplifted and tossed about. The infrastructure was destroyed. Families and friends were uprooted and separated.

Hurricane-caused damage to property on Kauai has been estimated at \$1,600,000,000. Along with the destruction to property is the overall economic loss from the production and sale of Kauai's products and services, including the loss of tourists to agricultural crop loss from sugar and other Kauai-grown products.

Through it all, the people of Kauai have been unwavering in their support of each other and in their goal to rebuild Kauai. Along with assistance from other residents of the State, Kauai has survived the immediate devastation caused by the hurricane. Your Committee applauds the courage and dedication of the people of Kauai and the generous spirit of the rest of Hawaii's people to help each other in times of need. However, your Committee recognizes that much more work and assistance are needed to help Kauai.

As a result, the Legislature has put together a package of bills to help Kauai recover and rebuild. This bill is part of that package, along with H.B. No. 1121, H.D. 1, S.D. 1, "Relating to Tax Relief from Natural Disaster Losses," H.B. No. 1124, H.D. 1, S.D. 2, C.D. 1, "Making an Appropriation for Recovery Costs Associated with Hurricane Iniki," and portions of H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1, "Relating to the State Budget" that provides moneys for the Koloa Transfer Station and County emergency housing.

The intent of this measure is to encourage hotel facilities and other businesses to reopen and recover their losses more quickly by providing certain tax exemptions. Your Committee believes that this bill, along with the rest of the hurricane relief package of bills, will provide much help in the economic revitalization of Kauai and set in motion efforts to counteract the overall net effect of lost or reduced business activities on employment, income, and public sector revenues for Kauai.

Upon careful deliberation, your Committee has amended this bill by:

- (1) Specifying that the exemptions under the TAT are for amounts received between May 1, 1993, through December 31, 1994;
- (2) Changing the definition of "qualified facility" to mean a hotel/hotel-condo as defined in Section 486K-1, Hawaii Revised Statutes;
- (3) Deleting the exemptions under the GET for amounts received by qualified facilities furnishing transient accommodations or businesses located on their facilities;
- (4) Deleting provisions that excluded remuneration in excess of \$7,000 paid by employers from the requirement of a contribution under the employment security law; and
- (5) Providing that the amounts received from insurance for inventory loss is exempt from the GET from September 11, 1992; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1154, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1154, H.D. 1, S.D. 2, C.D. 1.

Representatives Kawakami, Alcon, Kanoho and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Ikeda, Fernandes Salling and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 148 on H.B. No. 1124**

The purpose of this bill is to appropriate funds for recovery costs associated with Hurricane Iniki.

More specifically, this bill:

- (1) Reimburses the County of Kauai for real property taxes remitted, refunded, or forgiven under Chapter 234, Hawaii Revised Statutes;
- (2) Increases the moneys in the State Disaster Revolving Loan Fund; and
- (3) Provides a grant-in-aid to the County of Kauai for tourism promotion.

On September 11, 1992, one of nature's most destructive forces, named Hurricane Iniki, ran a course of destruction over parts of our State. Hardest hit was the island of Kauai, which found itself devastated in the hurricane's wake. Many Kauai residents saw their life's work and possessions destroyed by Hurricane Iniki's mighty winds and waves. People were injured and a few lost their lives in the storm. Jobs and businesses were gone. Houses were uplifted and tossed about. The infrastructure was destroyed. Families and friends were uprooted and separated.

Hurricane-caused damage to property on Kauai has been estimated at \$1,600,000,000. Along with the destruction to property is the overall economic loss from the production and sale of Kauai's products and services, including the loss of tourists to agricultural crop loss from sugar and other Kauai-grown products. In addition, the County will lose approximately \$10,000,000 in revenues from real property taxes, fees, and other miscellaneous sources as a result of the

hurricane. This shortfall in revenues will be exacerbated by increased operational costs as the County deals with major public works projects, housing assistance, and economic revitalization.

Through it all, the people of Kauai have been unwavering in their support of each other and in their goal to rebuild Kauai. Along with assistance from other residents of the State, Kauai has survived the immediate devastation caused by the hurricane. Your Committee applauds the courage and dedication of the people of Kauai and the generous spirit of the rest of Hawaii's people to help each other in times of need. However, your Committee recognizes that much more work and assistance are needed to help Kauai.

As a result, the Legislature has put together a package of bills to help Kauai recover and rebuild. This bill is part of that package, along with H.B. No. 1121, H.D. 1, S.D. 1, "Relating to Tax Relief from Natural Disaster Losses," H.B. No. 1154, H.D. 1, S.D. 2, C.D. 1, "Relating to Taxation," and portions of H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1, "Relating to the State Budget" that provides moneys for the Koloa Transfer Station and County emergency housing.

The intent of this measure is to aid the County of Kauai in recovering from the devastation caused by Hurricane Iniki through reimbursements for lost real property taxes and grant-in-aids for tourism promotion and recovery efforts. Your Committee believes that this bill, together with the rest of the hurricane relief package of bills, will provide much needed financial assistance to Kauai and set in motion efforts to restore the loss of infrastructure and property, as well as counteract the overall net effect of lost or reduced business activities on employment, income, and public sector revenues for Kauai.

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

- (1) Inserting the amount of \$3,500,000 for fiscal year 1993-1994 and \$5,000,000 for fiscal year 1994-1995 in place of the nominal sums of \$2 to reimburse the County of Kauai for real property taxes remitted, refunded or forgiven under Chapter 234, Hawaii Revised Statutes;
- (2) Inserting the amount of \$2,000,000 for fiscal year 1993-1994 and \$1,000,000 for fiscal year 1994-1995 in place of nominal sums of \$2 for a grant-in-aid to the County of Kauai to promote tourism;
- (3) Adding the amount of \$1,500,000 for fiscal year 1993-1994 for a grant-in-aid to the County of Kauai to help in recovery and specifying the use of these moneys for public works projects, housing assistance, and economic revitalization;
- (4) Deleting the appropriation to the State Disaster Revolving Loan Fund; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1124, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1124, H.D. 1, S.D. 2, C.D. 1.

Representatives Kawakami, Kanoho, Morihara and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Holt, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 149 on H.B. No. 2060**

The purpose of this bill is to mandate a transfer of land from the University of Hawaii to the Department of Education to provide for a new district library in Manoa.

Your Committee notes that the legislature has included \$100,000 in the state capital improvement project budget to plan for a new Manoa district library.

Your Committee finds that it is in the best interest of the citizens of Hawaii that public agencies cooperate and share resources wherever possible. Therefore, your Committee has amended the bill by:

- (1) Deleting the provision mandating a transfer of land from the University of Hawaii to the Department of Education;
- (2) Deleting provisions concerning the Department of Land and Natural Resources' acquiring title to the property and reporting back to the Legislature if title is not acquired before December 3, 1993;
- (3) Deleting the provision mandating the title transfer whether or not funds have been appropriated for construction of the library;
- (4) Requiring the Department of Education and the University of Hawaii to develop a cooperative agreement on the eventual construction of a new library facility that will:
  - (a) Not exceed an area of 23,000 square feet; and
  - (b) Be located on the property of the University of Hawaii currently used as a parking lot and the present library site;

- (5) Requiring the Chair of the Board of Education, the President of the University of Hawaii, and the Chair of the University of Hawaii Board of Regents to submit a report to the Legislature on the status of the cooperative agreement;
- (6) Specifying that if a lease agreement is needed, it shall be valid for as long as the property is used as a library, and any rent charged under that agreement shall not exceed \$1 per year;
- (7) Clarifying that at the termination of any lease agreement, all improvements shall become the property of the University of Hawaii; and
- (8) Changing the effective date to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2060, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2060, H.D. 1, S.D. 2, C.D. 1.

Representatives Lee, D. Ige, Say, Takumi, Taniguchi and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Tungpalan, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 150 on H.B. No. 1694**

The purpose of this bill is to require claims for credit or refund of an overpayment of income taxes be filed within three years from the time the return was filed or from the due date prescribed for the filing of the return, or within two years from the time the tax was paid, whichever is later.

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

- (1) Providing that no credit or refund shall be allowed or made after three years from the due date of the return unless a claim for credit or refund is filed within that time; and
- (2) Deleting language which provided that the time limitations would not apply if the taxpayer can show reasonable cause why the claim for credit or refund was not made when the return was filed.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1694, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1694, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Alcon, Suzuki and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Fukunaga, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 201 on H.B. No. 694**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the drilling of test borings from underground sources near the Kapahulu street end of the Ala Wai Canal to establish the quantity and quality of water available from these sources.

Your Committee recognizes that nonpoint source pollution is a serious problem affecting the water quality of the canal, and finds that these contaminants are a source of great concern to elected officials, the Department of Health, area residents, and sports enthusiasts who use the canal. The Noda study focuses specifically on various measures designed to control and mitigate nonpoint source pollution. Your Committee requests that the Department of Land and Natural Resources review the study and consider all other information available on the mitigation of nonpoint source pollution when developing plans for the clean-up and maintenance of the Ala Wai Canal to prevent and control, to the extent possible, the further introduction and increase of nonpoint source pollutants.

Your Committee has amended this bill by providing for an appropriation in the sum of \$300,000, for the purposes of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 694, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 694, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Bainum, Tajiri and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Iwase, Holt, Matsuura and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 202 on H.B. No. 1055**

The purpose of this bill is to resolve the jurisdictional dispute between the State and the counties over the ownership of certain public highways.

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

- (1) Stating that for counties with populations exceeding 500,000 persons, this Act will abrogate the requirement that the county remit to the State the proceeds from the sale of any county public highway that was previously a State public highway; and
- (2) Clarifying that the counties will be responsible for the preparation of the conveyancing documents which shall include, but not be limited to, a metes and bounds survey of the abandoned public highway, if necessary.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1055, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1055, H.D. 1, S.D. 2, C.D. 1.

Representatives Nakasone, Taniguchi, Tajiri, Shon and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Nakasato, Holt, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 203 on H.B. No. 1208**

The purpose of this bill is to appropriate funds for the Department of Business, Economic Development, and Tourism to continue biomass research for energy and alternate uses.

The State's almost total dependency on petroleum as an energy source requires the State to explore alternative forms of energy. Furthermore, with the reduction of sugarcane acreage in the State, tree plantation biomass could become a serious contender for crop replacement if proven to be technically and economically feasible.

Your Committee has agreed to adopt the Senate version of H.B. 1208, with an amendment to the amount appropriate to fund the biomass project.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1208, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1208, H.D. 1, S.D. 2, C.D. 1.

Representatives Bainum, Chang, Herkes, Takamine and Marumoto,  
Managers on the part of the House.

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

**Conf. Com. Rep. 204 on H.B. No. 525**

The purpose of this bill is to establish a nonpoint source pollution control program within the State Department of Health to protect Hawaii's waters from pollutants such as soil runoff, urban contaminants, agricultural residues, and other substances from diffuse sources. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for the fiscal year 1993-1994, to finance the program.

Your Committee also finds that nonpoint source pollution is a major contributor to water degradation in Hawaii. The statutory authority created by this bill will lay the foundation for the development of a nonpoint source pollution control program consistent with the State's overall objective to improve the quality of Hawaii's waters.

Your Committee agreed to adopt the Senate version of this bill, with an amendment to clarify inspection authority. Other technical, non-substantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 525, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 525, H.D. 2, S.D. 2, C.D. 1.

Representatives Bainum, Tom, Kanohe, Santiago and Thielen,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Holt, Fukunaga and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 205 on H.B. No. 1178**

The purpose of this bill is to authorize the issuance of up to \$10,000,000 in special purpose revenue bonds, subject to prior approval from the Public Utilities Commission (PUC), to assist Waimana Enterprises, Inc., in the establishment of a cogeneration facility on Oahu.

In addition, this bill specifies that approval must include a finding by the PUC that the savings from the sale of special purpose revenue bonds will be passed on to public electric utility customers.

Upon careful consideration, your Committee has amended this bill by deleting the requirement that the issuance of special purpose revenue bonds be subject to prior approval from the PUC.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1178, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1178, H.D. 2, S.D. 2, C.D. 1.

Representatives Stegmaier, Okamura, Kanoho and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 206 on H.B. No. 1327**

The purpose of this bill is to assist the Encogen Hawaii, L.P. develop a power plant and related facilities on the island of Hawaii to provide electric energy to Hawaii Electric Light Company, Inc., by authorizing the issuance of special purpose revenue bonds.

Your Committee on Conference is in accord with the recommended changes in the Senate version of this bill. The date change of December 31, 1996, to December 31, 1998 as written in the Senate version would allow the Hawaii Electric Company enough time to utilize the revenue bonds. An amount not to exceed \$10,000,000, in special purpose revenue bonds may be issued.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1327, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1327, H.D. 1, S.D. 1, C.D. 1.

Representatives Bainum, Tajiri, Chang, Herkes and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Matsunaga, Matsuura, Kanno and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 207 on H.B. No. 1653**

The purposes of this bill are to:

- (1) Establish the Hawaii Emergency Planning and Community Right-to-Know Act in conformance with the federal Emergency Planning and Community Right-to-Know Act, including the creation of the Hawaii State Emergency Response Commission and Local Emergency Planning Committees;
- (2) Require that all moneys for environmental health education and program enhancement shall be appropriated by the Legislature from the State general fund;
- (3) Establish an environmental response tax of five cents per barrel of petroleum product sold by a distributor to any end user, other than a refiner, of petroleum product;
- (4) Provide that the revenues generated from the environmental response tax shall be deposited into the environmental response revolving fund and used for:
  - (a) Oil spill planning, prevention, preparedness, education, research, training, removal, and remediation;
  - (b) County used oil recycling programs; and
  - (c) Concerns related to underground storage tanks, including the acquisition of a soil remediation site and facility; and
- (5) Require that when the total revenues in the environmental response revolving fund exceeds \$5,000,000, the imposition of the tax shall be discontinued. It shall be reinstated when the total balance of the fund declines to less than \$2,000,000.

After considerable discussion, your Committee has amended this bill by:

- (1) Deleting the requirement that the environmental health education and program enhancement activities shall be supported by appropriations out of the general fund (Sections 2, 3, and 4 of the S.D. 2);

- (2) Deleting the definitions of "disposal" and "treatment" from Section 128D-1, Hawaii Revised Statutes (Section 5 of the S.D. 2);
- (3) Increasing both thresholds relating to the environmental response revolving fund so that the tax shall be:
  - (a) Discontinued when the balance exceeds \$7,000,000, instead of \$5,000,000 (page 23, line 18); and
  - (b) Reinstated when the balance declines to less than \$3,000,000, instead of \$2,000,000 (page 24, line 3);
- (4) Clarifying the tax collection procedures relating to the environmental response tax as recommended by the Department of Taxation (pages 23 - 24);
- (5) Authorizing, rather than requiring, that environmental response tax revenues be used to address concerns relating to underground storage tanks and soil remediation activities (page 24, line 22);
- (6) Specifying that there shall be imposed a five cents tax on each barrel of petroleum product sold by a distributor to any retail dealer in addition to any end user (page 21, line 10);
- (7) Specifying that an "end user" means any person or government entity who acquires petroleum products for their own use and not for resale (page 22, lines 18 - 19);
- (8) Authorizing the Department of Health to spend \$500,000 during fiscal year 1993-1994 from the environmental response revolving fund, and requiring a report on the use of these funds be submitted to the 1994 Legislature (page 25, lines 4 - 8);
- (9) Specifying that Sections 2, 3, and 4 shall take effect on July 1, 1993, and Sections 2 and 3 shall apply to the sale of petroleum products made after June 30, 1993 (page 25, lines 16 - 18); and
- (10) Correcting certain typographic, technical, and stylistic errors.

The revenues generated from the environmental response tax are estimated to be approximately \$2,000,000, but the impact to the consumer is estimated at only one-tenth of a cent per gallon of petroleum product from automobile users. Your Committee feels this is a very small price to pay to further safeguard Hawaii from the disastrous consequences of an oil spill, to institute immediate oil cleanup in affected waters, and to initiate a county used oil recycling program.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1653, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1653, H.D. 2, S.D. 2, C.D. 1.

Representatives Bainum, Takamine, Say and Thielen,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 208 on H.B. No. 625**

The purpose of this bill is to authorize the Governor to confer the title of "Emissary of the People of Hawaii," and issue certificates and miniature poi pounders to those designated.

Your Committee finds that this bill would provide an opportunity to honor distinguished individuals, enabling local residents and visitors to learn about the culture and history of Hawaii, and would also promote Hawaii at little or no cost.

Your Committee also finds that displays located at Honolulu International Airport honoring members of the Aloha Order of Merit would give arriving and departing visitors an opportunity to learn about local culture and people, thereby enhancing their knowledge of Hawaii.

Your Committee revised the bill by removing the provisions regarding the official title of "Emissary of the People of Hawaii," making technical, non-substantive changes for the purposes of style and clarity, and adding the following provisions:

- (1) Establishment of the Aloha Order of Merit within the Office of the Governor for administrative purposes;
- (2) Individuals receiving the lifetime title of "Member of the Aloha Order of Merit" shall be inducted after receiving the approval of the Legislature by concurrent resolution;
- (3) Honorees shall have received world or national recognition in their field; and have:
  - (a) Contributed to the attainment of statehood for Hawaii;
  - (b) Devoted themselves to the betterment of the state, embodying the concept of the Aloha Spirit;
  - (c) Provided extraordinary service to the state; or

- (d) Brought honor to the state;
- (4) Creation of a selection committee consisting of a member of the House of Representatives appointed by the Speaker of the House of Representatives, a member of the Senate appointed by the President of the Senate, and a person appointed by the Governor;
  - (5) Establishment of procedures for the nomination and selection of members of the Aloha Order of Merit;
  - (6) Authorization for the Governor to award appropriate mementos to members of the Aloha Order of Merit and request them to represent the Governor and state;
  - (7) Designation of an area within the Honolulu International Airport as the location for commemorative displays honoring members of the Aloha Order of Merit; and
  - (8) Changing the effective date from the date of approval to July 1, 1993, except that the section designating the airport location of displays shall take effect on July 1, 1994.

Examples of people who have achieved wide recognition for their work, such as making pioneering achievements, and have devoted themselves to the betterment of the state, provided extraordinary service and brought honor to the state include:

- (1) Danny Kaleikini, the State of Hawaii Ambassador of Aloha, who has devoted decades of his life to service at home and promotion of Hawaii around the world, providing immeasurable contributions to the visitor industry and the state of Hawaii;
- (2) Chad Rowan, also known as Akebono, the first non-Japanese sumo wrestler to earn the rank of yokozuna, or grand champion, the highest rank and honor in that sport;
- (3) Jesse Kuhaulua, also known as Takamiyama, the first prominent non-Japanese sumo wrestler, who pioneered the way for other successful non-Japanese in that sport; and
- (4) Carolyn Sapp, the first Miss Hawaii to win the Miss America Scholarship Pageant.

Although all of the above come from Hawaii, persons need not be of Hawaii to be inducted into the Aloha Order of Merit.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 625, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 625, H.D. 1, S.D. 2, C.D. 1.

Representatives Cachola, Taniguchi, Chumbley and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga and Holt,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 209 on H.B. No. 924**

The purpose of this bill is to appropriate funds for the development and implementation of a Juvenile Justice Information System.

The Juvenile Justice Information System will:

- (1) Provide governmental agencies with around-the-clock access to statewide information on juveniles;
- (2) Permit agencies to track individual offenders through the state criminal justice system; and
- (3) Provide data for management and research purposes to determine patterns of juvenile crime and divert children from the adult criminal justice system.

Your Committee has amended the bill as follows:

- (1) Inserting the sum of \$261,400 for fiscal year 1993-1994; and
- (2) Deleting the reference to an appropriation for fiscal year 1994-1995.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 924, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 924, H.D. 1, S.D. 2, C.D. 1.

Representatives Tom, Say, Chun, Nekoba and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Blair, Hagino and Koki,

Managers on the part of the Senate.

**Conf. Com. Rep. 210 on H.B. No. 741**

Act 291, Session Laws of Hawaii 1983, appropriated funds to form a committee on Penal Code revision and reform to do a comprehensive review of the Penal Code and to make recommendations to the Legislature.

During the past several years, numerous amendments have been made to the code on a piecemeal basis. However, there has not been a comprehensive review as to the effect these amendments have on the principles and philosophy on which the code is based. Moreover, there are concerns as to the structural and systematic impact these amendments have on the entire criminal justice system, including the courts and the correctional system. Accordingly, your Committee finds that an additional review is needed to address the periodic changes made to the Penal Code with reference to the concept that the Code is not an isolated body of law, but rather a part of the entire criminal justice system of the State.

Your Committee has amended H.B. No. 741, H.D. 2, S.D. 2, by changing "shall" to "may" in providing for the advisory committees inclusion of certain representatives on the committee which will assist the judicial council, and by including the county police departments on the list. Your Committee does not intend the list to be exclusive.

In addition, your Committee has restored the \$50,000 appropriation included in the House version.

Your Committee urges the council and its advisory committee to seek consensus where possible and to allow for the expression of divergent opinions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 741, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 741, H.D. 2, S.D. 2, C.D. 1.

Representatives Tom, Say, Menor, Tam and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Blair, Hagino and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 211 on H.B. No. 1988**

The purpose of the bill is to provide procedures for withdrawal of signatures from an election petition, to allow the chief election officer to make voting systems and election services available to state agencies and private agencies, to set forth procedures for a substitution of an alternative vice presidential candidate, to create more flexibility regarding election dates in the case of a natural disaster and to make various revisions to the election laws to make voting easier and more convenient.

Your Committee has amended the bill by requiring that the notice seeking to withdraw a voter's signature on a petition must contain, just as the original petition did, the name, social security number, address and birthdate of the voter and must be signed by the voter with the name under which the voter is registered to vote. In the same section, your Committee eliminated language providing a method for withdrawal of a signature on a petition after the petition was filed.

Your Committee has also amended the measure by eliminating language permitting the chief election officer to require that all votes in a particular area must be cast by absentee ballot in the event of a natural disaster. Also deleted was a provision regarding who may vote by absentee ballot, and the requirement that the chief election officer, in cooperation with the clerks of the respective counties, must provide educational election materials to schools. Your Committee notes with approval that the chief election officer is currently performing this function without a statutory mandate.

Last, your Committee has inserted \$47,000 in the appropriation section of the bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1988, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1988, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Say, Cachola, Suzuki and Marumoto,  
Managers on the part of the House.

Senators Levin, A. Kobayashi, Blair, Grauly and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 212 on H.B. No. 1773**

The purpose of this bill is to establish a program of regimental discipline implemented by the Department of Public Safety for certain defendants. The court sentences the defendant to the program as a condition of probation or a deferred acceptance of guilty plea. If the defendant does not complete the program, as certified by the Director, it is considered a failure to comply with the condition for deferred acceptance of guilty plea or a violation of probation.

Your Committee is vitally concerned with the problem of prison overcrowding. Your Committee finds that a viable alternative to incarceration is to establish a regimental discipline program for first time offenders as they are more likely to respond to rehabilitative efforts.

Your Committee has amended H.B. No. 1773, HD2, SD1, by making a change to the language regarding qualification for the program so that it is clear that those who are not "convicted" because their plea has been deferred, are eligible for the program. Your Committee has also amended H.B. No. 1773, HD2, SD1, by deleting the section making an appropriation for the purposes of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1773, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1773, H.D. 2, S.D. 1, C.D. 1.

Representatives Tom, Say, Herkes, Tam and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Koki, Blair and Hagino,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 213 on H.B. No. 2098**

The purpose of this bill is to appropriate funds to develop a curriculum to educate public school students and the general public about Hawaiian sovereignty through a purchase of service contract with Hui Na'auao.

Your Committee has been informed that Hui Na'auao Hawaiian sovereignty education presentations and workshops have been well-received by its participants. Your Committee is aware that federal grants to Hui Na'auao can be expended to educate only Hawaiians on Hawaiian sovereignty. Therefore, your Committee finds that it is in the best interest of the people of Hawaii, both Hawaiians and non-Hawaiians, that the State provide funds to assist Hui Na'auao in educating the general public on this important issue of Hawaiian sovereignty.

Your Committee has agreed to amend this bill by:

- (1) Deleting the provision which specifies public school students as recipients of the program since the general public includes public school students (page 2, line 16 and line 23);
- (2) Inserting an appropriation of \$300,000 for fiscal year 1993-1994 to carry out the purposes of this bill; and
- (3) Deleting any appropriation for fiscal year 1994-1995.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2098, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2098, H.D. 2, S.D. 1, C.D. 1.

Representatives Okamura, Kawakami, Alcon, Beirne and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 214 on H.B. No. 2010**

The purpose of this bill is to provide additional time for beneficiaries under the Hawaiian Home Lands Trust to file and resolve claims as provided for in Chapter 674, Hawaii Revised Statutes.

Specifically, the bill:

- (1) Extends the deadline for filing claims until August 31, 1995;
- (2) Extends the terms of office of Hawaiian Home Lands Individual Claims Review Panel (Panel) members until December 30, 1997;
- (3) Extends the deadline for filing written notice rejecting legislative action on a claim until October 1, 1997;
- (4) Requires that no action for judicial relief be filed prior to October 2, 1997;
- (5) Extends the statute of limitations for commencing action for judicial relief until September 30, 1999;
- (6) Requires the Panel to include investigative reports in claims records. Unless otherwise provided under the information practice law, the reports shall remain confidential, except upon the Panel's discretion for disclosure to the parties, until completion of the claims hearing.
- (7) Protects statements made by witnesses in the course of an investigation from use in legal proceedings;

- (8) Requires the Panel to file annual reports prior to each regular legislative session and a final report prior to the 1997 Regular Session; and
- (9) Appropriates funds to administer Chapter 674.

Your Committee finds that there is a need to extend the Panel's existence in order to afford aggrieved beneficiaries a full opportunity to resolve their claims.

Your Committee has agreed to amend Section 674-5(b) to allow the Panel to provide, rather than retain and provide, legal services to assist a claimant in preparation and presentation of a claim for review by the Panel under this chapter.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2010, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2010, H.D. 2, S.D. 2, C.D. 1.

Representatives Okamura, Say, Arakaki, Santiago and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 215 on H.B. No. 2015**

The purpose of this bill is to establish the Kaho'olawe Island Reserve Commission which shall have policy and management oversight of the Kaho'olawe Island Reserve.

Your Committee finds that a new management regime, sensitive to the archaeological, cultural, and historic sites and the native and endangered flora and fauna, is needed to restore and preserve the island of Kaho'olawe.

Your Committee has agreed to the following amendments:

- (1) Reduce the area designated as the Kaho'olawe Island Reserve from "three" miles from the shoreline seaward to "two" miles (page 2, lines 20 and 21);
- (2) Require the Department of Land and Natural Resources to implement, rather than develop, controls and permitted uses for the Kaho'olawe Island Reserve (page 3, line 21);
- (3) Clarify the language relating to the manner in which the members of the Commission are to be appointed to conform with Section 26-34, Hawaii Revised Statutes (from page 4, line 15 to page 5, line 2);
- (4) Insert a new Section 7 requiring the Commission to adopt rules to permit fishing in the waters around Kaho'olawe (page 7, line 3 to line 7);
- (5) Insert an appropriation of \$137,500 to carry out the purposes of this bill (page 8, line 15);
- (6) Re-phrase language in the purpose section (page 1, line 4); and
- (7) Correct a typographic error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2015, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2015, H.D. 2, S.D. 2, C.D. 1.

Representatives Okamura, Kanoho, Apo, Beirne, Morihara and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Tungpalan, Iwase, Kanno and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 216 on H.B. No. 2014**

The purpose of this bill is to provide compensation for past wrongful takings of Hawaiian home lands. Specifically, the bill would:

- (1) Appropriate funds and provide additional means to remedy the State's past wrongful, improper, or unauthorized withdrawals, transfers, takings, or uses of Hawaiian home lands since August 21, 1959;
- (2) Authorize the State to pursue claims against the United States for the federal government's wrongful, improper, and unauthorized uses, transfers, or takings of Hawaiian home lands; and
- (3) Authorize the State to initiate land exchanges to resolve wrongful transfers and grants of Hawaiian home lands to non-government entities.

Your Committee finds that native Hawaiian beneficiaries have suffered due to the illegal takings of land from the Hawaiian Home Lands Trust. Your Committee further finds that as trustee of Hawaiian home lands, it is the State's responsibility to remedy past wrongs committed by the State and pursue claims against the federal government for violations of the trust. Your Committee agrees that the inclusion of a state court appointed independent representative in the claims resolution process would be in the best interest of the beneficiaries.

Your Committee has agreed to the following amendments:

- (1) Delete "and in consultation with the office of Hawaiian Affairs" (OHA) from the provision that allows the Department of Land and Natural Resources to convey parcels of land purchased by the Department of Hawaiian Home Lands (DHHL), (Section 4);
- (2) Insert a sunset date of December 1, 1994, for the Independent Representative (Section 5);
- (3) Insert an appropriation of \$200,000 for fiscal year 1993-1994, for the purpose of paying the independent representative and any additional services that may be required (Section 5);
- (4) Delete the provision that the conveyance of public lands to DHHL cannot diminish OHA's pro rata revenue entitlement (Section 8);
- (5) Insert an appropriation of \$475,000 for fiscal year 1993-1994, to assist the State Task Force on Department of Hawaiian Home Lands Title and Related Claims in preparing the remaining claims package for submission to the Legislature in 1994 (Section 9); and
- (6) Insert an appropriation of \$350,000 for fiscal year 1993-1994, to allow the State to continue the pursuit of Hawaiian home lands trust claims against the federal government (Section 10).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2014, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2014, H.D. 2, S.D. 2, C.D. 1.

Representatives Okamura, Say, Apo, Nakasone and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, Chang, Fukunaga, Holt and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 217 on H.B. No. 173**

The purpose of this bill is to assist the State's inter-island airlines through guaranteed loans pursuant to Chapter 211, Hawaii Revised Statutes.

Your Committee finds that because of Hawaii's unique geography, inter-island air transportation is essential in meeting the mobility needs of both residents and visitors within our State. The absence of a connecting highway system between the various islands of our State emphasizes the need to maintain an efficient and stable inter-island air transportation system.

Your Committee further finds that the guaranteed loans would assist those inter-island airlines whose operations and revenues have been adversely affected by the downturn in tourism. These guaranteed loans would ultimately protect the public welfare by ensuring a continued means of travel between the islands of our State.

Essential inter-island passenger and cargo air services can be effectively assured through the establishment of a comprehensive process to regulate inter-island air transportation. This process is envisioned to ensure adequate service to our various communities at reasonable rates and fares.

Your Committee has amended this bill by authorizing the establishment of a comprehensive process for the re-regulation of inter-island air carriers to the extent possible under the Constitution and laws of the United States. In addition, various modifications were made to the provisions of the loan guarantee for the inter-island air carriers, including the following:

- (1) Authorizing the Department of Business, Economic Development, and Tourism (DBEDT) to guarantee up to 90 percent of the principal balance of a loan made by a private lending institution to a Hawaii inter-island air carrier;
- (2) Stipulating that the term of the loan be for not more than seven years and that the State's liability on loans guaranteed not exceed \$12.6 million;
- (3) Stipulating that all loans guaranteed under this Act be collateralized on a basis at least equal to the outstanding balance of the loan guaranteed.
- (4) Providing that the balance of the collateral shall be in the form of real property interests or such other marketable assets as may be approved by the Director of DBEDT;
- (5) Requiring that all parts and equipment pledged as collateral be subject to a buyback or re-stock agreement such that the value of the collateral and method of securing payment from the collateral will be guaranteed;

- (6) Mandating that as part of the collateral, the borrower shall deposit an amount equal to 20 percent of the principal balance of the loan into the Hawaii InterIsland Airline Loan Guarantee trust fund (trust fund) to be held by the State;
- (7) Providing that a loan guarantee only be considered when there is proof that the loan is not available from other sources;
- (8) Stipulating that DBEDT conduct a due diligence examination of the carrier applying for a loan guarantee and that the borrower secure agreements from principal creditors that they will withhold any collection actions for a minimum of two years from the effective date of the guarantee which may result in the Hawaii air carrier ceasing operations;
- (9) Stipulating that the loan guarantee may be used for working capital but may not be used to satisfy debts arising prior to the effective date of the guarantee;
- (10) Mandating that the loan not be granted unless the carrier raises equity equal to the amount of the loan;
- (11) Stating that at the retirement of the loan, the deposit made into the trust fund by the Hawaii air carrier will be returned to the air carrier pursuant to the terms of the agreement with the carrier;
- (12) Stating that in the event the carrier defaults on the loan, the lender will receive all monies deposited into the trust fund, and shall commence all actions necessary to protect or enforce its rights to the properties used as collateral;
- (13) Appropriating \$100,000 to conduct due diligence examinations on any Hawaii air carrier applying for a loan guarantee from the State, as well as for monitoring, auditing, and administering the trust fund;
- (14) Providing that the collateral required by section 4(c) of the Act be deposited into the trust fund on such terms and conditions acceptable to the Director of DBEDT by June 30, 1993; and
- (15) Incorporating a provision to repeal this Act on June 30, 2002.

Your Committee has also clarified in the purpose clause of the Act that the Legislature finds that the "current" policies adopted on the national level may be inappropriate to the unique environment of Hawaii interisland and local service.

Additionally, technical modifications have been made for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 173, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 173, H.D. 3, S.D. 1, C.D. 1.

Representatives Oshiro, Bunda, Say, Ishii-Morikami, Kawakami and Nakasone,  
Managers on the part of the House.

Senators A. Kobayashi, Nakasato, Holt, Kanno and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 218 on H.B. No. 628**

The purpose of this bill is to repeal or modify the special and revolving funds currently administered by the various departments, agencies, and offices of the State.

This bill is based on the recommendations made by the Office of the State Auditor, pursuant to Act 240, Session Laws of Hawaii 1990. Act 240 directed the Auditor to evaluate all State special and revolving funds to determine whether the funds should be continued and whether the moneys in these funds should be deposited in the general fund.

Your Committee recognizes that the review of all special and revolving funds is in the early stages of an ongoing process of analysis. After performing a case by case review of the information presented, your Committee has found that circumstances necessitate the continuation of some of the special and revolving funds. Some must remain in place to meet federal obligations, while others are needed to provide the flexibility to accommodate variable or unpredictable program demands.

In addition, your Committee has found that some funds contained moneys that were in excess of the needs of the programs the funds supported and have provided for the transfer of those moneys into the general fund. Your Committee notes that the transfer of the \$5,000,000 from the Works of Art Special Fund is a one-time transfer and will be used to assist Kauai recover from the devastation caused by Hurricane Iniki.

Upon careful consideration, your Committee has amended this bill by making the following amendments:

#### Department of Accounting and General Services

- (1) Maintaining the State Educational Facilities Improvement Special Fund;

#### Department of Budget and Finance

- (2) Repealing the Hawaii Information Network Special Fund and continuing the program through the general fund appropriations process;

Housing Finance and Development Corporation

- (3) Decreasing from \$350,000 to \$250,000, the amount of funds to be transferred from the Hawaii Development Revolving Fund to the state general fund;
- (4) Maintaining the Rental Assistance Revolving Fund;

Department of Business, Economic Development, and Tourism

- (5) Decreasing from \$2,000,000 to \$1,000,000, the amount of funds to be transferred from the Foreign Trade Zones Special Fund to the state general fund;
- (6) Maintaining the Hawaii Community-Based Development Revolving Fund;
- (7) Maintaining the Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Fund, and transferring \$2,000,000 of unexpended or unencumbered moneys remaining in the Fund to lapse into the state general fund;
- (8) Maintaining the Hawaii Small Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Program Revolving Fund, and transferring \$1,000,000 of unexpended or unencumbered moneys remaining in the Fund to lapse into the state general fund;
- (9) Maintaining the High Technology Special Fund;
- (10) Repealing the Natural Energy Laboratory of Hawaii Authority Special Fund on June 30, 1994;
- (11) Maintaining the Petroleum Products Control Fund;
- (12) Repealing the Out-of-State Offices Special Fund on June 30, 1994;
- (13) Maintaining the Convention Center Development Revolving Fund;

Department of Commerce and Consumer Affairs

- (14) Repealing the Insurance Examiner's Revolving Fund on June 30, 1994;

Department of Education

- (15) Transferring the Driver Education Fund Account to the Department of Commerce and Consumer Affairs;
- (16) Maintaining the Storeroom Revolving Fund;

Department of Health

- (17) Repealing the Revolving Fund for Kalaupapa Store on June 30, 1994;

University of Hawaii System

- (18) Repealing the University of Hawaii at Manoa Intercollegiate Athletics Revolving Fund on June 30, 1994;
- (19) Repealing the University of Hawaii at Hilo Intercollegiate Athletics Revolving Fund on June 30, 1994;
- (20) Maintaining the University of Hawaii at Manoa Malpractice Special Fund;
- (21) Maintaining the University of Hawaii Manoa Campus Center for Student Development Special Fund;

Department of Labor and Industrial Relations

- (22) Maintaining the Prepaid Health Care Benefits Premium Supplementation Fund;

Department of Land and Natural Resources

- (23) Deleting the transfer of \$3,600,000 from the Industrial Park Special Fund to the state general fund;
- (24) Deleting the transfer of \$2,300,000 from the Special Land and Development Fund to the state general fund and specifying the lapse of all unexpended or unencumbered moneys which are in excess of the needs for the following fiscal year to lapse to the general fund;

Department of the Attorney General

- (25) Deleting the transfer of \$100,000 from the Criminal Forfeiture Fund to the state general fund; and

Department of Public Safety

- (26) Maintaining the Correctional Industries Revolving Fund and making the Fund self-sustaining.

In addition, your Committee has amended this bill by:

- (1) Deleting the repeal of all special and revolving funds which have been in existence as of June 30, 1993 and the requirements for establishing new special and revolving funds;
- (2) Retaining the current statutory definition of "revolving fund" and "special funds";
- (3) Requiring the Office of the State Auditor to review revolving and trust funds over a five-year period; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 628, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 628, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami, Suzuki and Ward,  
Managers on the part of the House.

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

**Conf. Com. Rep. 219 on H.B. No. 1890**

The purpose of the bill, as received by your Committee, is to establish the Hawaii Reinsurance Assistance Corporation as a mechanism for providing homeowners' and hurricane reinsurance coverage to insurers, including county insurance trusts.

Recent catastrophic property insurance losses throughout the world over the past five years, along with Hurricanes Andrew and Iniki, have rendered the commercial insurance market unable or unwilling to insure against hurricane losses in Hawaii. This has resulted in a crisis that undermines the underlying reason for the existence of the property insurance industry, i.e., the protection of property held as security for loans. If reliable, reasonably priced insurance, acceptable by lenders, mortgage bankers and U.S. governmental agencies, such as Freddie Mac and Fannie Mae, is not readily available, residential borrowings and lending activity in the State will be threatened, accompanied by financial reverberations throughout the residential building, construction, and services industries.

Hawaii insurers have been largely unresponsive to the hurricane coverage crisis. There is strong evidence that the problem may be spreading to commercial property and liability lines as well. Your Committee finds that a bold initiative is needed to protect the interests of the public and the State economy as a whole.

After extensive hearings and deliberations on this issue, your Committee has reached consensus on a blended approach that pools the resources and risks of consumers, the insurance industry, and the State. Accordingly, your Committee has amended the bill by:

- (1) Establishing a new Chapter in the Hawaii Revised Statutes, to be known as the Hawaii Hurricane Relief Fund ("Fund");
- (2) Providing that the Fund be responsible for monitoring the availability of property insurance, and be authorized to issue policies covering hurricane property losses to residential homeowners and small businesses;
- (3) Providing that the Fund assume liability for losses resulting from a hurricane that directly causes windstorm damage, subject to limitations;
- (4) Establishing a tiered system of loss coverage under which policyholders assume losses up to their applicable mandatory deductibles, after which losses are covered through post-catastrophic industry assessments, pre-catastrophic industry assessments, premium payments, special mortgage recording fees, line of credit or other reinsurance, proceeds from State bond issuances, and federal loans;
- (5) Authorizing the counties to provide homeowners' insurance, subject to the requirement that the counties implement an insurance program within two years of this Act;
- (6) Directing the Fund's board of directors to submit a report reviewing and evaluating the Fund's operations, finances, and investments, and making recommendations to the Legislature three years following the Fund's operational date; and
- (7) Making technical, nonsubstantive revisions for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1890, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1890, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Say, Herkes, Ishii-Morikami, Nakasone, Oshiro and Marumoto,

Managers on the part of the House.

Senators Ikeda, A. Kobayashi, Iwase, McCartney and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 220 on H.B. No. 195**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations of the Office of Hawaiian Affairs during the 1993-1995 fiscal biennium.

**100TH ANNIVERSARY OF THE OVERTHROW OF THE HAWAIIAN MONARCHY**

In considering the operating budget request of the Office of Hawaiian Affairs (OHA), your Committee was aware of several significant factors that are pervasive throughout the State. Of particular importance were the events leading to the centennial observation of the overthrow of the sovereign Hawaiian Kingdom in 1893, the centennial observation itself, the subsequent calls for action, and continued resolve concerning solutions to past and present injustices suffered by the Hawaiian Community. The Legislature's support of the centennial observation and associated activities leading to and following the observation demonstrates the Legislature's continued commitment to resolve issues concerning Hawaiians and Native Hawaiians.

**FINANCIAL AND BUDGETARY OVERVIEW**

In deliberating on this OHA Budget and the other bills that affect state finances, including the State Executive Budget and the Judiciary Budget bills, your Committee also had to deal with one of the most serious financial predicaments that the State has had in recent years. Hawaii's economy is at its slowest rate of growth in recent years. Added to that are the additional financial burdens placed on the State as a result of the destruction caused by Hurricane Iniki. These pressures and strains imposed difficult fiscal decisions on your Committee in drawing up this OHA Budget bill.

Your Committee acknowledges that Hawaii is facing and will continue to face major financial challenges that will require innovative responses, responsible budgeting, cutbacks in funding, and scaling back of programs to ensure that Hawaii remains fiscally solvent. These safeguards are necessary to enable the State to deal with the expenses of rebuilding after a major natural disaster and helping to improve a sluggish economy.

The negative impact and long-term effects of the devastation and damage caused by Hurricane Iniki has and will continue to wreak havoc on our already fragile economy for years to come. In addition, fiscal uncertainties have been spurred by the continuing national recession, local downturns in the visitor industry, shifts in foreign investment policies, and federal mandates.

The recent Council on Revenues report released in March, 1993, projected that revenues would be lower than past projections and continues to forecast a negative growth factor for the 1993-1995 fiscal biennium.

Because the fiscal integrity of the State is fundamental to sound and responsible government, the impact of changing economic conditions and other financial developments were closely examined by your Committee in developing this Budget. As a consequence of Hurricane Iniki, the slowdown of Hawaii's economy, and the uncertainty of our future financial resources, prudence dictates that all state agencies take a cautious approach regarding future expenditures and program expansions over the next two fiscal years.

**FINANCIAL PLAN: A BALANCED BUDGET**

In these critical times, your Committee believes that sound judgment and rational decisions must be made to assure that the Budget addresses the needs of the people of Hawaii, while also reflecting a zero-growth objective. For these reasons, your Committee is unable to accommodate many program requests which have merit but will result in a negative impact upon the economic well-being of the State.

Your Committee finds that the need for a conservative approach was reflected in the budgets submitted by the Executive and Judiciary branches. However, your Committee is concerned that the Office of Hawaiian Affairs chose to submit a proposed budget with limited regard to the economic conditions currently confronting the State and the Legislature.

Moreover, your Committee is concerned that the OHA Budget requests for the 1993-1995 fiscal biennium contained a number of inaccuracies. Methods used to calculate budget requests were inconsistent and information was not presented in a timely manner. Several of your Committee's actions were to resolve differences in interpretation of the material submitted by the Office of Hawaiian Affairs to the House Committee on Finance and the Senate Committee on Ways and Means.

Although the Office of Hawaiian Affairs was vested at its inception with a considerable amount of autonomy, it is a state agency, and like all other governmental entities, has the responsibility and obligation to operate in a fiscally responsible manner. The level of responsibility must increase as the Office receives greater amounts of ceded land funds.

Despite the inconsistencies and inaccuracies, your Committee endeavored to evaluate each request based on its merits. All requests were considered with respect to other Office of Hawaiian Affairs' budget items, the State's commitment to issues affecting Hawaiians and Native Hawaiians, and the economic constraints currently facing the State.

Your Committee's evaluation of the Office of Hawaiian Affairs utilized the following guidelines in making its final decisions:

- \* Given the present economic situation, the Office of Hawaiian Affairs' budget was adjusted to reflect the Legislature's objective of a zero-growth budget.
- \* The Office of Hawaiian Affairs should continue to identify, pursue, and expand utilization of existing community resources that are available to Hawaiians and Native Hawaiians before creating its own programs. Programs such as Alu Like, Inc., and the Center for Gifted Native Hawaiian Children (Na Pua No'eau) have established track records, financial support, and established systems to deliver services. The Office of Hawaiian Affairs should work closely with groups of this type for effective delivery of services and benefits to Hawaiians and Native Hawaiians. Your Committee has funded several requests which demonstrate the Office of Hawaiian Affairs' utilization of such resources.
- \* The Office of Hawaiian Affairs identified several areas that meet their criteria, to be fully funded with special funds. Your Committee evaluated these programs and funded several programs with special funds only. Your Committee notes that there are no definitive criteria for what qualifies for special funding, but has accepted the Office of Hawaiian Affairs' statements confirming the eligibility of these specific program requests for the purposes of this budget.
- \* Your Committee emphasizes that the various programs within the Office of Hawaiian Affairs should coordinate their actions to assure efficiency of operation, assurance of work completion, complete and compatible data, and should demonstrate that the work will achieve its objectives. For these reasons, several data collection requests have been denied until a more coordinated proposal can be prepared.
- \* Your Committee funded requests which will result in increased funding from other sources such as the Native Hawaiian Revolving Loan Fund program.
- \* Your Committee also funded a study to conduct a comprehensive analysis of the "Territorial Homestead" or "999-Year" leases to clarify title and tenancy rights.

#### SUMMARY

In summary, your Committee believes that this OHA Budget provides a responsible allocation of valuable, finite resources to the Office of Hawaiian Affairs to meet the immediate needs of Hawaiians and Native Hawaiians. Your Committee believes that this Budget was carefully formulated, and is realistic and fiscally responsible under the State's current economic conditions. Several significant programs have been funded and many existing programs have continued funding.

Your Committee encourages the Office of Hawaiian Affairs to work closely with other community groups and services to develop an effective support network for Hawaiians and Native Hawaiians.

And finally, your Committee urges OHA, along with other state agencies, to adopt the position that economic uncertainty must be approached with an attitude of fiscal responsibility and restraint.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 195, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 195, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, B. Kobayashi, Levin, Matsuura, McCartney, Tungpalan and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 221 on H.B. No. 2024**

The purpose of this bill is to eliminate the Board of Vocational Rehabilitation established under Section 26-14, Hawaii Revised Statutes (HRS), and to set up councils as required by the Federal Rehabilitation Act Amendments of 1992.

After carefully considering H.B. No. 2024, H.D. 1, S.D. 1, your Committee on Conference has amended the measure by:

- (1) Providing that Section 26-34, HRS, governs appointments to the State Advisory Council on Rehabilitation and the Statewide Council on Independent Living;
- (2) Requiring that both councils elect a chairperson from the membership;
- (3) Replacing language regarding compensation of council members with the standard language:

The council members shall serve without compensation but shall be reimbursed for reasonable expenses, including travel expenses, necessary for the performance of their duties; and

- (4) Making technical, non-substantive changes for the purposes of style and clarity.

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

Representatives Chun, Say, Arakaki, Santiago and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Grauly, Fernandes Salling, Levin and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 222 on H.B. No. 241**

The purpose of this bill is to appropriate funds to provide respite care services to adult residential care home operators.

Upon careful reconsideration, your Committee has amended this bill by:

- (1) Establishing the adult residential care home respite care special fund as proposed in H.B. No. 241, H.D. 2;
- (2) Removing all references to an appropriation; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 241, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 241, H.D. 2, S.D. 2, C.D. 1.

Representatives Chun, Duldulao, Say, Pepper and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, B. Kobayashi, Grauly, Fernandes Salling and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 223 on H.B. No. 203**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the Judiciary branch during the 1993-1995 fiscal biennium.

**FINANCIAL AND BUDGETARY OVERVIEW**

Fiscal deliberations to formulate the 1993-1995 fiscal biennium budgets began in the aftermath of one of nature's most destructive forces to ever hit Hawaii, and at a time when Hawaii's economy is at its slowest rate of growth in recent years. These pressures and strains imposed difficult fiscal decisions on your Committee in drawing up this Judiciary Budget bill, along with the other bills that affect state finances, including the State Executive Budget and the Office of Hawaiian Affairs Budget bills.

Your Committee acknowledges that Hawaii is facing and will continue to face major financial challenges that will require innovative responses, cutbacks in funding, and scaling back of programs to ensure that Hawaii remains fiscally solvent. These safeguards are necessary to enable the State to deal with the expenses of rebuilding after a major natural disaster and helping to improve a sluggish economy.

**Hurricane Iniki**

On September 11, 1992, one of nature's most destructive forces headed straight towards Hawaii. This category 4 maelstrom known as Hurricane Iniki left in its wake a devastated island of Kauai and a ruined Waianae coast of Oahu.

The negative impact and long-term effects of the devastation and damage caused by this hurricane has and will continue to wreak havoc on our already fragile economy for years to come. Damage to property on Kauai alone has been estimated at \$1,600,000,000. Coupled with the property destruction are the financial losses from the production and sale of Kauai's services and products, including the loss of tourists to agricultural crop loss from sugar and other Kauai-grown products.

**Slow Economic Growth**

In addition, Hawaii's fiscal uncertainties have been spurred by a number of factors outside the control or influence of the State. During the past two years, socio-economic changes nationally and worldwide have placed immense pressures and strains on Hawaii's financial structure and revenues. The national recession, changes in foreign monetary and investment policies, and increasing federal mandates being placed on states to provide or expand services without the concomitant federal dollars, have caused financial worries for Hawaii.

In its March, 1993, report, the Council on Revenues indicated that actual general revenue collections were below earlier estimates, with the forecasted growth rate for fiscal year 1993-1994 at 0.3 percent and for fiscal year 1994-1995 at 5.0 percent. In deliberating on this Budget, your Committee considered these factors and weighed the uncertainty of the State's economic future with the Judiciary's immediate and future needs in certain program areas.

#### FINANCIAL PLAN

Your Committee finds that the fiscal integrity of the State is fundamental to sound and responsible government. Your Committee believes that the public has the right to expect that the State's fiscal integrity is maintained, that public funds are expended wisely, and that government operations are executed efficiently.

In these critical times, your Committee believes that sound judgment and rational decisions must be made and that everyone must be prepared for a scaledown in services and programs, or to do without certain services and programs until the economy improves significantly. At the same time, your Committee recognizes that as the demand for government services increases, fiscal responsibility dictates the identification of innovative ways to maximize the return on State investment through increased productivity and the efficient delivery of public services.

With this in mind, your Committee's decisions in formulating the Judiciary Budget were characterized by a fiscal responsibility to create a balanced budget in light of economic uncertainties and the harsh realities of limited financial resources. Each and every service and program area was scrutinized to ensure that appropriated state dollars would be prudently and efficiently spent.

#### RECOMMENDATIONS

Your Committee took a very conservative approach and developed a Budget that focuses on meeting the most urgent needs of the Judiciary and takes a cautious approach to future expenditures and program expansion. Your Committee believes that the Judiciary will address the critical judicial problem facing the State by increasing productivity and promoting efficient delivery of services to the citizens of this State with its current resources.

Your Committee has amended the Budget by providing an additional sum of \$1,000,000 to address only current and anticipated future caseload needs in the following areas:

- (1) Driving under the influence of intoxicating liquor (DUI);
- (2) Domestic violence; and
- (3) Felony cases.

Your Committee finds that the case backlog is tremendous. However, your Committee took a cautious approach and provided phase-in funding to address only current and anticipated future caseload needs. The Judiciary will have an opportunity to report on the status of its efforts to address the current caseload needs during the 1994 legislative session. The Legislature will then judge the performance of the Judiciary on addressing current caseload needs and if warranted, will provide additional funding to reduce the tremendous backlog of cases. It is the expectation of your Committee that the Judiciary will consider this problem a priority, and will explore alternatives for reducing the backlog, such as renting office space for more courtrooms, holding court hearings at night or on weekends, and other sound options, and if deemed appropriate, include these options and alternatives in the Judiciary's long-range plans and future budget requests.

#### SUMMARY

In summary, your Committee believes that this Budget provides a responsible allocation of valuable, finite resources to the Judiciary to provide needed court services and programs to assure timely adjudications. Your Committee believes that this Budget balances the need for fiscal austerity and maintains an efficient, unified, and independent state judicial system that meets the myriad of needs of an ever-changing and dynamic society.

And finally, your Committee urges the Judiciary, along with other state agencies, to take a cautious and fiscally conservative approach regarding future expenditures and program expansions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 203, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 203, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Levin, Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, B. Kobayashi, Matsuura, McCartney, Tungpalan and George,  
Managers on the part of the Senate.

The purpose of this bill is to establish the Hawaii Children's Trust Fund to strengthen families with the intent of preventing child abuse and neglect.

Your Committee on Conference has amended this measure by:

- (1) Providing a definition for "child abuse and neglect"
- (2) Including grants and gifts in the section controlling receipt of funds; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1453, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1453, H.D. 2, S.D. 2, C.D. 1.

Representatives Chun, Kawakami, Arakaki, Santiago and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Grauly, Fernandes Salling, Levin and Koki,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 225 on H.B. No. 1152**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the Executive branch during the 1993-1995 fiscal biennium.

#### **FINANCIAL AND BUDGETARY OVERVIEW**

Fiscal deliberations to formulate the State Executive Budget bill for the 1993-1995 fiscal biennium began in the aftermath of one of nature's most destructive forces to ever hit Hawaii and at a time when Hawaii's economy was at its slowest rate of growth in recent years. Additionally, your Committee was confronted with a number of major policy issues and difficult fiscal decisions regarding other fiscal bills, including the Judiciary budget and the Office of Hawaiian Affairs budget bills, that impact state fund appropriations.

Your Committee recognizes that Hawaii is facing and will continue to face major financial challenges that will require creative responses, cutbacks in funding, and scaling back of programs to ensure that Hawaii remains fiscally solvent, while dealing with the expenses of rebuilding the areas that were destroyed after a major natural disaster and helping to improve a sluggish economy.

#### **Hurricane Iniki**

On September 11, 1992, one of nature's most destructive forces ran a course of deadly destruction over portions of Hawaii, ravaging natural landscapes, destroying homes, roads, utilities, and businesses, and taking human lives. This category 4 maelstrom known as Hurricane Iniki left in its wake a devastated island of Kauai and a ruined Waianae coast of Oahu.

The long-term effects of Hurricane Iniki are only now being realized and assessed, with problems ranging from diverse issues such as loss of housing to mental health problems to lack of affordable property insurance.

But the major long-term effect of Hurricane Iniki is the negative impact this Hurricane has had and will continue to have on our fragile economy. Damage to property on Kauai alone has been estimated at \$1,600,000,000. Coupled with the property destruction is the financial loss suffered from the drop in production and sale of Kauai's products, the decrease in tourism activity, and the loss of sugar and other agricultural crops.

In this regard, the State must be unwavering in its support to help these areas recover and rebuild. Steps must be taken to counteract the net effects of lost or reduced business activities on employment, income, output, and public sector revenues for Kauai and the rest of the State.

#### **Slow Economic Growth**

Unfortunately, Hurricane Iniki caused damage to the State's economy at a time when our overall economy was already sluggish.

During the past two years, socio-economic changes nationally and worldwide have placed immense pressures and strains on Hawaii's financial structure and revenues. The national recession, changes in foreign monetary and investment policies, and increasing federal mandates, which have been placed on states to provide or expand services without the concomitant federal dollars have caused immense financial worries for Hawaii.

In its March, 1993 report, the Council on Revenues indicated that actual general revenue collections were below earlier estimates, with the forecasted growth rate for fiscal year 1993-1994 at 0.3 percent and for fiscal year 1994-1995 at 5.0 percent. After considering these factors, your Committee has developed a Budget that focuses on meeting the most urgent needs of the State and takes a cautious approach to future expenditures and program expansion.

**FINANCIAL PLAN: A BALANCED BUDGET**

Your Committee finds that fiscal prudence and foresight are also fundamental to sound and responsible government. To ensure the State's fiscal solvency, your Committee maintains that the Budget be balanced by using a broad-disciplined approach through:

- (1) Prudent budgeting of dwindling state resources; and
- (2) Working in partnership with the people of Hawaii to find new ways to meet their needs.

**Prudent Budgeting**

Your Committee believes that the public has the right to expect that the State's fiscal integrity is maintained, that public funds are expended wisely, and that government operations are executed efficiently.

In deliberations on this Budget, your Committee focused on meeting the most urgent needs of our State and maintaining funding for economic and social safeguards. Each and every service area and department was scrutinized to ensure that appropriated state dollars would be prudently and efficiently spent.

It is your Committee's belief that in these changing times, sound judgment and rational decisions must be the basis for accountable government actions. Everyone must be willing to contend with the reduction or elimination of certain services and programs, until the economy improves significantly. Everyone must "give a little" to ensure a sound future.

Moreover, the uncertainty of the State's future economic growth dictates that state expenditures over the next fiscal year and future fiscal years be approached cautiously with respect to expenditures from the general fund and bond issuance and debt service, which have a great impact on the general fund. At the same time, the demand for more government services requires the identification of new ways to further maximize productivity and efficiency in the delivery of public services and to maximize returns on our state investments.

**In Partnership with the People**

To deal with these changing times, your Committee believes that the people must change their mind-set and redefine what government is and what its role should be in Hawaii today.

Your Committee believes that as an instrument of the people, government must forge new partnerships with the community. Only by working in partnership with the people can we create the kind of Hawaii we want for our children and grandchildren.

Together in partnership with business and the community, we can develop new solutions and prove that no natural disaster or economic woe can intimidate the people of Hawaii. Together in partnership with the people, your Committee believes that we can revitalize Hawaii and ensure that our people are able to live productive lives with respect and dignity.

Your Committee believes that we must also set a new agenda. No longer can we continue to do business as usual. No longer can we look upon government as the provider of all needs and wants. We must learn to govern more effectively and more efficiently, and cut unnecessary spending.

As part of this new agenda, your Committee proposes that the Legislature examine ways to restructure government so that it facilitates the progress of the people, businesses, and the community-at-large.

Faced with revenue shortfalls, slower economic growth, and increasing needs in certain program areas, your Committee has been confronted with the unenviable task of reallocating program funds and making difficult fiscal decisions.

Highlighted below are some of the major program areas contained in this bill to set a new direction for Hawaii's future.

**PROGRAMS AND SERVICES****Education**

Hawaii's future will one day be in the hands of today's children, and therefore our young people must be prepared to meet the great challenges of tomorrow. To this end, your Committee has provided an additional \$20,000,000 over and beyond what was requested by the Governor in the Executive Budget proposal. Your Committee has focused on programs that will enhance the quality of education for students.

The sum of \$5,000,000 has been provided in each year of the 1993-1995 fiscal biennium to meet the Department of Education's ever increasing need to hire more teachers to meet the increases in student enrollments statewide.

The utilization of modern technology is a key factor in keeping up with the advances and discoveries in these changing times. Funds have been allocated to provide supplies, equipment, textbooks, and educational support for anticipated increases in enrollment resulting from the new science and math graduation requirements.

The Fifteenth Legislature made a commitment toward a decentralized school management system by supporting School/Community-Based Management (SCBM) in 1989. Your Committee reaffirms this commitment by providing \$10,000,000 in each year of the 1993-1995 fiscal biennium to facilitate the implementation of School-Based Budgeting for Hawaii's public schools and to provide for additional school needs.

School-Based Budgeting collapses 17 previous programs of the Department of Education into five program areas. The five program areas are: EDN 100 (School Based Budgeting), EDN 200 (Instructional Support), EDN 300 (State and District Administration), EDN 400 (School Support), and EDN 500 (School Community Service). The intent of the new program structure is to facilitate school-level decision making by providing schools with the flexibility to address individual school needs and to maximize the amount of total funding that goes directly to the schools.

Your Committee has placed special emphasis on helping Kauai schools rebuild after the hurricane damage. The sum of \$6,484,000 has been appropriated to replace and upgrade the cafeteria and library at Hanalei Elementary School and the sum of \$3,016,000 has been provided to replace and upgrade the auditorium and classrooms at Kapaa Elementary School. In addition, \$829,000 has been provided to replace and upgrade classrooms at Waimea High School.

Your Committee supports quality post-secondary educational programs through the University of Hawaii system. Funds in the amounts of \$4,699,783 for fiscal year 1993-1994 and \$5,633,510 for fiscal year 1994-1995 have been appropriated to alleviate cutbacks and shortages brought on by budgetary restrictions during the 1992-1993 fiscal year and reallocations of positions and funds.

### **Economic Development**

Your Committee believes that economic strength is the source of wealth that provides financial stability for the people of Hawaii. Your Committee is determined that Hawaii's economy regain its vitality and that opportunities for economic success are made available to every citizen of the State.

Strengthening our economy will require a long-term outlook. It means all of us must make some sacrifices now so that we can reap benefits later. This belief is found on the principle that an economically diverse Hawaii is a strong Hawaii, which can provide for the needs of its people.

Your Committee has also provided a variety of recovery and other assistance measures and funds to help the people on Kauai and on the Waianae coast of Oahu rebuild their lives and homes, which were destroyed by Hurricane Iniki last year. In this measure and other measures, funds have been provided for infrastructure improvements, tax relief, and school reconstruction to help Kauai.

In order to rejuvenate Hawaii's economy, your Committee has made a concerted effort through this bill and others to support and promote the stronghold of Hawaii's economy--tourism--which provides thousands of jobs and generates millions of dollars for our state economy. Emphasis will be on stimulating the visitor industry by repositioning Hawaii's image as a visitor destination through product-oriented marketing campaigns that express more closely the fine qualities that Hawaii has to offer. Your Committee has provided funding of \$8,500,000 for each year of the 1993-1995 fiscal biennium for advertising, public relations, promotions, and business marketing efforts. In addition, your Committee will concentrate its efforts to develop a convention center to attract convention travelers, who have more favorable spending patterns than regular vacation travelers.

Your Committee supports the development of a diversified economic base, especially industries that are non-polluting. To this end, your Committee has provided funding to further develop the film industry. To encourage the continued development of a promising and multi-faceted industry, your Committee has provided \$5,500,000 to construct a mill and a portion of the general film administration complex for the Diamond Head Film Studio. In the past, the film industry has not only provided employment and brought in millions of dollars to the State, but the industry has also been one of the most effective promoters of tourism through the exposure of Hawaii abroad as an exciting and exotic location to vacation and to conduct business.

Aware of the need for a skilled labor force to meet the demands of the Twenty-first Century, your Committee has emphasized strengthening the labor exchange process to assist job seekers in obtaining valuable skills and to provide the business community with additional employees to meet current labor needs. Funds for the combination of the business expansion division have been appropriated in the sum of \$750,000 for fiscal year 1993-1994 to streamline the process and increase efficiency by coordinating the efforts of the Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Labor and Industrial Relations. These funds will merge the Loan/Grant Program, job creation, and skill upgrading programs.

Energy independence has been an ongoing commitment of your Committee. The sum of \$4,000,000 has been appropriated to construct a precommercial biomass research plant on Maui.

### **Health and Human Services**

It is your Committee's belief that optimal health care services are fundamental to ensure the overall well-being of the community. In this regard, your Committee focused its efforts on supporting and providing for the continuance of existing health care programs and services, as well as appropriating funds that will guarantee the most benefits to the community statewide. Programs to ensure basic financial, medical, housing, social, and rehabilitative needs were carefully reviewed and considered.

Additional funding has been provided to meet the needs of additional enrollees into the State Health Insurance Plan, particularly in light of the downturn in Hawaii's economy. Additional funding was also appropriated to the Department of Human Services to initiate support for the Families Together Initiative (FTI). The benefits of providing new and expanded early intervention and family-based services to children and families at-risk, combined with the capture of additional federal funds from a diminishing pool of resources have put high expectations on the results of this program. Your Committee is confident that over the long-term, any costs incurred for preventive programs will offset the reactive and correctional expenses that the State currently faces.

Additional support was given to enhance the hospitals in medically underserved areas. Funding in the amount of \$6,701,000 was appropriated to replace the 50-bed Honokaa structure to meet Medicare standards and \$7,020,000 was appropriated for the second phase of the Kona Hospital renovation and expansion.

Throughout its deliberations, your Committee strengthened its resolve to support Hawaii's families and to address the undue stresses placed on family life. Funding has been provided for early intervention and family-based services to families at-risk and to restore domestic shelter services and support for victims in need of assistance.

#### **Transportation**

Rapid economic and population growth in the State over the past several years calls for changes to improve the State's transportation system. State airports are experiencing difficulty in accommodating travelers in a timely manner, state harbors must meet ever increasing volumes of cargo, and state highways are burdened with worsening traffic congestion.

Your Committee has provided funds for various airport improvements, including funds for continued renovations and expansions at Honolulu International Airport's Main Terminal and Interisland Terminal Complex. In addition, funds have been appropriated for a phase of the new terminal building and other improvements as part of the Kahului Airport runway extension.

In addition, increasing cargo volume has placed a high demand on the State's harbors. To meet this demand, your Committee has provided additional funds to improve container facilities at Honolulu Harbor and Nawiliwili Harbor, expand the harbor basin, and add berthing space at Barbers Point Harbor.

#### **Environmental Protection**

A healthy environment is fundamental to our quality of life. To ensure a safe and clean environment, your Committee has provided funds to ensure the protection and conservation of the State's natural resources.

The State's efforts to continue the protection and management of threatened and endangered plant and animal species is supported by your Committee. With over seventy-five percent of all native plants located in state Natural Area Reserves, the community can continue to be assured that these areas will be protected for future generations to experience and enjoy.

To ensure that the disposal of wastewater does not contaminate Hawaii's precious water sources, \$3,900,000 has been provided to enhance the State Wastewater Treatment Revolving Fund for Pollution Control to provide assistance to projects statewide.

#### **Culture and Recreation**

Your Committee supports the revitalization of Hawaii's local communities and has appropriated funds to administer the Main Street Program on all islands. Since Main Street's inception, Hawaii has seen the preservation of historic sites, renewal of economic vitality, and growth in civic pride in numerous towns throughout the State. Recognizing the need to keep these communities vigorous and sound, and to extend the program to other areas in need, your Committee supports Main Street Hawaii's efforts by providing an additional \$75,000 for each year of the 1993-1995 fiscal biennium.

Your Committee also recognizes the importance of preserving treasures of the ancient Native Hawaiian culture. Your Committee has appropriated \$100,000 for fiscal year 1993-1994 for the Mo'okini Heiau in Kohala, Hawaii to support its renovation, security, and operational needs. These funds will also allow the continuation of programs for school children and the public that increases awareness and enhances understanding of Mo'okini's unique history.

Realizing the importance of the Waikiki Aquarium as a tool for teaching Hawaii's school students about environmental issues and its value as a major tourist attraction, your Committee has appropriated \$100,000 for fiscal year 1993-1994 for operations while the Aquarium undergoes major renovation and expansion.

#### **Public Safety**

Your Committee has provided funds for positions and operating costs of a new 80-bed regimental discipline minimum security prison facility being constructed on the Big Island. Funds have also been provided to operate a new 101-bed medium security correctional facility and 80-bed minimum security correctional facility on Maui.

Funds have also been provided to establish a substance abuse program for the female inmate population of state-operated correctional facilities.

#### **Government-Wide Programs**

Your Committee has dedicated positions and funds within the Office of the Attorney General for aggressive civil recovery efforts in the areas of construction contract claims, damages to state property, breach of consultant and procurement contracts, and misuse of state funds. Upon becoming fully operational, this upgraded unit is expected to recover or save the State an additional \$1,000,000 annually.

In order to restore the public's confidence in the Department of Taxation's ability to collect delinquent taxes, your Committee has authorized an additional 22 positions and operating funds to increase the State's tax collection efforts.

In addition, the Office of the Attorney General has been assigned positions and funds to counsel and represent the Department of Taxation in litigation of tax appeals, bankruptcy cases, and foreclosures. The funding of \$238,000 and

three positions in the 1993-1995 fiscal biennium is expected to increase tax collection revenues in the bankruptcy area by approximately \$3,000,000 each year.

### SUMMARY AND RECOMMENDATIONS

In summary, your Committee has carefully reviewed the numerous and varied funding requests and concerns, with respect to the tremendous needs of the people of this State. Your Committee believes it has developed a Budget that meets the needs of the State and addresses the concerns highlighted in this report.

Your Committee notes that, as a consequence of Hurricane Iniki and the slowdown of Hawaii's economy and the uncertainty of our future financial resources, prudence dictates that all state agencies over the next fiscal year and future fiscal years take a cautious approach regarding future expenditures and program expansions.

Finally, your Committee urges all government agencies to adopt the position that economic uncertainty must be approached with an attitude of fiscal responsibility and restraint to ensure the availability of state funds in the future.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, B. Kobayashi, Levin, Matsuura, McCartney, Tungpalan and George,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 226 on H.B. No. 570**

The purpose of this bill is to amend chapter 586, Hawaii Revised Statutes (HRS), to provide for discretionary imprisonment of a violator for a first conviction for a violation of either a temporary restraining order or a protective order; and to provide for mandatory imprisonment of a violator for a second or subsequent violation of either a temporary restraining order or a protective order.

Your Committee has decided not to amend section 586-4, HRS, that deals with temporary restraining orders. Thus, the mandatory sentences for the violations of temporary restraining orders shall remain in effect.

However, your Committee has amended section 586-11, HRS, that deals with protective orders. Your Committee has made a distinction between domestic abuse violations and non-domestic abuse violations of the protective orders. "Domestic abuse" has been defined in section 586-1, HRS, to include such actions as physical harm, bodily injury, assault, threats, etc. Your Committee intends that the phrase "non-domestic abuse" cover violations of the protective order other than those amounting to "domestic abuse." For example, if the protective order specifies certain times for the children to be picked up or dropped off by a parent, the parent's failure to pick up or drop off the children on time may constitute non-domestic abuse, as long as this does not constitute "extreme psychological abuse" under the definition of "domestic abuse."

Your Committee has determined that the sentence to be imposed for a violation of a protective order should be dependent upon whether the violation is considered a domestic abuse violation or a non-domestic abuse violation. Your Committee deems domestic abuse violations to be generally more serious than non-domestic abuse violations.

Regarding first violations of protective orders:

- (1) Where the first violation of a protective order is domestic in nature, the violator shall be sentenced to a mandatory minimum jail sentence of not less than 48 hours; and
- (2) Where the first violation of a protective order is non-domestic in nature, the violator may be sentenced to jail for 48 hours.

Regarding second violations of protective orders:

- (1) Where the first violation is domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 30 days;
- (2) Where the first violation is non-domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours;
- (3) Where the first violation is domestic in nature and the second violation is non-domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours, unless the court, in writing, finds that the second violation does not warrant a jail sentence and the court provides reasons for its decision in writing;
- (4) Where the first violation is non-domestic in nature and the second violation is domestic in nature, then for the second offense the violator shall receive a mandatory minimum jail sentence of not less than 48 hours;

Regarding third and subsequent violations of protective orders, the court shall impose a mandatory minimum sentence of not less than thirty days imprisonment.

Your Committee, in Conference Draft 1, amended this measure as follows:

- (1) Deleted the existing Section 1, that deals with amendments to section 586-4, HRS, and re-numbered the remaining sections. Your Committee decided not to change the law regarding temporary restraining orders;
- (2) Deleted the existing penalties under section 586-11, HRS, in paragraphs 1 and 2 and substituted new penalty provisions, as described above, in new paragraphs 1, 2, and 3; and
- (3) Made technical changes for clarity purposes.

Upon reconsideration, your Committee has further amended this bill by correcting a typographical error in the last paragraph in Section 1.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 570, H.D. 1, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 570, H.D. 1, S.D. 1, C.D. 2.

Representatives Tom, Amaral and Thielen,  
Managers on the part of the House.

Senators Levin, Blair, Grauly and Reed,  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 227 on H.B. No. 2156**

The purpose of this bill is to put the needs of Hawaii's children first, and provide them with a first-rate education by:

- (1) Authorizing budget and fiscal flexibility to encourage innovation and creativity in the schools;
- (2) Improving educational assessment and accountability programs;
- (3) Encouraging innovation by changing incentives and stabilizing public school leadership;
- (4) Reinventing and renewing a commitment to quality school facilities.

There is no issue before the Legislature that has generated more discussion, more ideas, more debate, and more innovative recommendations than public education. Your Committee finds, after extensive collaborative discussion with the Board of Education (BOE), the Superintendent of Education (Superintendent), public school employee unions, and parents of children in the public schools, that a major restructuring of all aspects of education in Hawaii is both necessary and, perhaps most important, achievable. This bill is designed to provide the framework within which the reinvention of our public school system can proceed. The bill is divided into four sections for greater clarity:

- (1) Budget and funding reform;
- (2) Assessment and accountability;
- (3) Innovation, incentives, and leadership; and
- (4) Facilities.

#### **Budget and funding reform**

Your Committee strongly supports and believes in empowering schools and communities with greater flexibility and autonomy. One key to empowering schools and communities is removing unnecessary fiscal controls.

To do this, the bill exempts the DOE from restrictive accounting requirements, and allows the Department and schools to carry funds over from one fiscal year to the next. In this way, schools will no longer be pressured to spend their funds at the end of the fiscal year, but will be able to save for larger-ticket items according to individual school needs.

The Legislature is proposing to amend certain provisions of Chapter 37, Hawaii Revised Statutes (HRS), to allow schools more flexibility in directing their budgets towards desired student outcomes. Your Committee notes that a requirement exists in Section 7 of Act 295, SLH 1992, which stipulates that provisions of Chapters 26 and 37 affecting public schools that are not reenacted or amended during the 1993 Legislative session shall no longer apply to the Department of Education (DOE). Because of the budget and funding proposals put forth in this bill, this provision is no longer needed.

Your Committee also notes that the biennium budget was restructured to direct maximum resources to the schools and provide flexibility to reshape expenditure plans to focus on students.

#### **Assessment and accountability**

Providing schools with greater flexibility in managing their budgets should enable them to tailor their focus to student needs. In turn, the Legislature believes schools should be more accountable for student outcomes. The bill requires that the board of education report to the legislature on the results of school assessments, and allows SCBM schools to develop their own assessment mechanisms.

#### Innovation, incentives, and leadership

Your Committee finds that current practices in the public school system separate the school improvement and student performance planning process from the budget and funding process. Often, schools with student-centered plans for school improvement have very limited options in seeking funds for their programs.

Your Committee intends that the public school system develop and maintain a student-centered approach in every aspect, and integrate school improvement planning with the budgetary and funding process. Teachers, administrators, and other public school employees should focus their efforts on the needs of the students, and be rewarded for doing so. The bill provides for flexibility in the structure of the school day and year, and allows the DOE to propose performance-based pay adjustments--with performance measured against a focus on student needs--for public school employees.

As we restructure and reform the public school system, we must also examine our compensation and incentive plans for school-based personnel. Your Committee has provided a window for all parties to collective bargaining to negotiate salaries and classification so that administrators and teachers--those closest to the classroom and the students--are the highest-paid individuals in the school system.

In addition, to maintain a focus on innovation, student outcomes, and concrete results, the bill provides for incentive and innovation grants to schools with unique proposals for improving student performance. The Legislature has demonstrated its commitment to innovation by providing funding in the state budget for the incentive and innovation grants.

Reform requires that all school personnel question and re-examine each and every aspect of their jobs. During this critical period of transformation, stable and visionary leadership is required. As part of its commitment to stabilizing leadership in the public schools, your Committee would like to encourage the BOE to appoint a superintendent for a term of up to four years. The Committee intends that this provision apply to future hires, although the BOE may exercise its option to remove the Superintendent for cause at any time.

#### School Facilities

Improving school facilities is a major priority for your Committee. The bill maintains the Legislature's commitment to funding facilities by making the State educational facilities improvement special fund permanent, and providing for the authorization of general obligation bonds into the fund.

Currently, the DOE is moving forward with a comprehensive effort to evaluate innovative and creative methods aimed at closing the gap between school facility needs and resources ("facilities gap"). Your Committee supports this effort wholeheartedly.

One method for closing the facilities gap is through use of a non-traditional construction method known as "design-build," which could result in cost savings and more timely facility completion. Your Committee has authorized a pilot program to test this "design-build" method with the projects at Nanakuli High School on Oahu and Princess Nahienaena Elementary School on Maui. The DOE will submit an evaluation report to the Legislature on these pilot building projects following their completion and occupancy.

Another aspect of school facilities is technology-related items. Currently, there is a lack of computers, telecommunications equipment, and other items vital to bringing our school system into the twenty-first century. The Committee notes that the DOE will be incorporating technology-related items into new school facilities as they are constructed or improved. Your Committee supports the department in this effort.

Finally, a very concrete aspect of school facilities is the cleanliness of the classrooms themselves. The DOE has \$2,872,212 in its current services budget allocated to room-cleaning, but is unable to find enough personnel willing to do this part-time, temporary work. Your Committee believes that the large amount of funds allocated to room-cleaning might be better used if schools in the school/community-based management program were permitted to develop their own innovative projects.

Upon consideration, your Committee has amended the bill by:

- (1) Clarifying the budget and funding provisions:
  - Specifying that the DOE may retain up to five percent of any appropriation remaining at the end of a fiscal year, and clarifying that the funds retained shall not lapse until the first year of the next fiscal biennium;
  - Repealing a provision in Act 295, SLH 1992, which required the reenactment or amendment of all provisions in Chapters 26 and 37, HRS, during the 1993 Legislative session;
- (2) Restructuring DOE assessment and accountability efforts:
  - Clarifying the reporting requirements for the new educational status report to the Governor and the Legislature, and indicating the Legislature's intent that they be implemented over time;

- Repealing the provisions of Section 296-11, HRS, concerning assessment reporting requirements;
- Allowing school/community-based management (SCBM) schools to develop their own student assessment mechanisms, provided that the results are included in the DOE's educational status report to the Governor and the Legislature;
- (3) Including findings and purpose language in the section on innovation, incentives, and leadership that specifies a focus on educational outcomes;
- (4) Clarifying provisions relating to collective bargaining:
  - Specifying that the DOE forward a proposal for any pay adjustments to the Legislature with its budget request or in a separate appropriation, and including differentiated pay among the possible adjustments;
  - Including a sunset provision for the provisions concerning pay adjustments in the enacting clause of the bill;
  - Clarifying that pay adjustments may be considered for groups, as well as individual public school employees;
  - Specifying that SCBM schools will retain the right to initiate a waiver from provisions of collective bargaining agreements;
  - Including purpose language on the negotiating for public school employee reclassification and salaries;
  - Including a sunset provision in the enacting clause of the bill specifying that permission to teachers to negotiate on reclassification and salaries shall be repealed by June 30, 1995;
  - Requiring a review by the Legislative Auditor of Part III, Chapter 297, HRS, and specifying that Sections 297-31.2 through 297-31.5 of the HRS shall be repealed beginning July 1, 1995 unless they are reenacted or amended during the 1994 or 1995 Legislative Session;
- (5) Enhancing leadership stability by repealing Section 296-2, HRS, to correct a technical error in the statute, and reenacting that section with a provision allowing the BOE to appoint a Superintendent for a term of up to four years, without regard to State residency requirements, and with termination only for cause;
- (6) Authorizing flexibility for the DOE in regard to positions:
  - Clarifying that the DOE may reallocate vacant positions without regard to the Department of Budget and Finance's position variance requirements, and including a sunset on June 30, 1995, for this provision in the bill's enacting clause;
  - Clarifying that the DOE has the authority to create temporary positions as needed;
  - Adding a reporting requirement to the Legislature and the Governor;
- (7) Reworking the provisions concerning incentive and innovation grants:
  - Deleting the provision concerning the use of incentive and innovation grant funds to compensate administrators and teachers for school improvement work;
  - Specifying that the BOE shall establish and appoint a panel to review incentive and innovation grant proposals, and that the panel shall consist of at least one representative from the groups currently involved in the SCBM process, with representation from each district;
  - Specifying that the review panel members will serve two-year terms without compensation, but may be reimbursed for expenses;
  - Including a provision allowing review panel expenses to be offset with moneys in the incentive and innovation grant trust fund, not to exceed one percent of the moneys in the fund;
  - Specifying that if a school or schools submits a renewal request for an incentive and innovation grant, the proposal must include a plan for establishing the program in the school or schools permanently;
  - Clarifying that the review panel shall assist the Superintendent in the evaluation of proposals on a continuing basis;
  - Including a reporting requirement to the Legislature on the status of the incentive and innovation grant program;
  - Requiring a review of the operations of the incentive and innovation grant panel by the Legislative Auditor;

- (8) Removing tax provisions and clarifying other issues relating to school facilities:
- Deleting provisions concerning an excise tax surcharge for education, a telecommunications provider surcharge, and a cable television operator surcharge;
  - Deleting provisions pertaining to using a portion of moneys in the State educational facilities improvement special fund (special fund) to amortize revenue bonds;
  - Establishing a classroom cleaning program;
  - Specifying that no collective bargaining agreement or executive policy may preclude the implementation of a classroom cleaning program, unless a contract waiver process exists;
  - Including a provision that allows the DOE to enter into lease-purchase agreements;
  - Deleting the provision that included technology-related items under the definition of facilities;
  - Deleting the provision requiring projects funded by the special fund to be identified under the DOE capital improvement program priority system;
  - Changing the reporting agency on the special fund from the DOE to the Department of Accounting and General Services (DAGS);
  - Deleting the provision pertaining to DAGS acquiring non State-owned facilities for use by or as public school facilities;
  - Deleting the provision that established the facilities review advisory committee;
  - Providing for flexible funding by allowing a portion of the \$90,000,000 appropriated to the special fund to be financed with general obligation bonds;
  - Authorizing the issuance of general obligation bonds in the amount of \$90,000,000 for fiscal years 1994 and 1995;
  - Authorizing two design-build pilot projects from the special fund;
  - Specifying the dollar amounts in the appropriation for performance-based, retention, and differentiated pay for qualifying school principals;
  - Deleting the appropriation for incentive and innovation grants; and
- (9) Making other technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2156, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2156, H.D. 2, S.D. 2, C.D. 1.

Representatives D. Ige, Say, Chumbley, Kawakami, Tajiri and O'Kieffe,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Fukunaga, Holt, Iwase, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 228 on H.B. No. 1610**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 2 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 2 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 2.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1610, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1610, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 229 on H.B. No. 1613**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 5 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 5 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated to cover the costs of the cost items and salary adjustments for unit 5.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1613, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1613, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 230 on H.B. No. 1614**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 6 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 6 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated to cover the costs of the cost items and salary adjustments for unit 6.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1614, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1614, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 231 on H.B. No. 1616**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 8 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 8 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 8.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1616, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1616, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 232 on H.B. No. 1621**

The purpose of this bill is to provide funds for fiscal biennium 1993-1995 for officers and employees excluded from collective bargaining.

Your Committee has amended this bill by:

- (1) Inserting in SECTION 1 of the bill, the actual amounts to be appropriated or authorized to fund the cost items and salary adjustments pertaining to state officers and employees excluded from collective bargaining (Program Planning, Analysis, Budgeting (BUF 101));
- (2) Deleting PART II of the bill pertaining to cost items and salary adjustments pertaining to state officers and employees excluded from collective bargaining (Administrative Director Services (JUD 201)); and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1621, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1621, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, McCartney, Holt, Kanno and Koki,  
Managers on the part of the Senate.

**Conf. Com. Rep. 233 on H.B. No. 126**

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 authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

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

Your Committee has amended this bill by inserting the appropriate amounts provided by the Department of Budget and Finance. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 126, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 126, S.D. 1, C.D. 1.

Representatives Say, Alcon, Chang, Kanohe, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,  
Managers on the part of the House.

Senators A. Kobayashi, Blair, Fernandes Salling, Fukunaga, Hagino, Holt, Kanno, B. Kobayashi, Levin, Matsuura, McCartney, Tungpalan and George,  
Managers on the part of the Senate.

**Conf. Com. Rep. 234 on H.B. No. 1202**

The purpose of this bill is to provide for the financing of the development and construction of a convention center by increasing the transient accommodations tax rate from five to six percent and by allocating one percent of transient accommodations tax collections for funding the construction of a convention center from fiscal year 1993-1994 to an unspecified year.

Your Committee finds that Hawaii's lack of world-class convention facilities will continue to exacerbate the economic lethargy afflicting Hawaii. The continuing absence of adequate facilities will allow other destinations with convention centers to improve their positions at Hawaii's expense in a competitive market that gives no quarter and quickly leaves behind those who fail to commit sufficient resources to ensure their own economic health.

Your Committee finds that, although the initial cost of the project appears daunting, a fully operational center will draw enough conventioners to Hawaii to generate approximately \$336 million in state tax revenues, essentially reimbursing the state for its entire construction cost in one year of operation. Therefore, the development of a world class convention center forms the keystone for any plan for the economic recovery of the state.

Your Committee revised the bill by providing the funding and a funding mechanism to finance the convention center.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1202, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1202, H.D. 2, S.D. 2, C.D. 1.

Representatives Say, Cachola, Chang, Chumbley, Kawakami and Marumoto,  
Managers on the part of the House.

Senators A. Kobayashi, Nakasato, Holt, Kanno and George,  
Managers on the part of the Senate.

## SPECIAL COMMITTEE REPORT

## Spec. Com. Rep. 1

Your Committee on Credentials begs leave to report that it has thoroughly considered the matter of the seating of the members-elect of the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, and finds that the following members-elect are duly qualified to sit as members of the House of Representatives, to wit:

FIRST DISTRICT:	Dwight Y. Takamine
SECOND DISTRICT:	Jerry L. Chang
THIRD DISTRICT:	Harvey S. Tajiri
FOURTH DISTRICT:	Robert N. Herkes
FIFTH DISTRICT:	Virginia Isbell
SIXTH DISTRICT:	Mike O'Kieffe
SEVENTH DISTRICT:	Rosalyn Baker
EIGHTH DISTRICT:	Joseph M. Souki
NINTH DISTRICT:	Bob Nakasone
TENTH DISTRICT:	David Morihara
ELEVENTH DISTRICT:	Avery B. Chumbley
TWELFTH DISTRICT:	Paula Ishii-Morikami
THIRTEENTH DISTRICT:	Ezra R. Kanoho
FOURTEENTH DISTRICT:	Bertha C. Kawakami
FIFTEENTH DISTRICT:	David D. Stegmaier
SIXTEENTH DISTRICT:	Gene R. Ward
SEVENTEENTH DISTRICT:	Barbara Marumoto
EIGHTEENTH DISTRICT:	Calvin K.Y. Say
NINETEENTH DISTRICT:	Les Ihara, Jr.
TWENTIETH DISTRICT:	David M. Hagino
TWENTY-FIRST DISTRICT:	Duke Bainum
TWENTY-SECOND DISTRICT:	Mazie Hirono
TWENTY-THIRD DISTRICT:	Brian T. Taniguchi
TWENTY-FOURTH DISTRICT:	James T. Shon
TWENTY-FIFTH DISTRICT:	Kenneth T. Hiraki
TWENTY-SIXTH DISTRICT:	Rod Tam
TWENTY-SEVENTH DISTRICT:	Suzanne N.J. Chun
TWENTY-EIGHTH DISTRICT:	Dennis A. Arakaki
TWENTY-NINTH DISTRICT:	Emilio S. Alcon
THIRTIETH DISTRICT:	Romy M. Cachola
THIRTY-FIRST DISTRICT:	Nathan Suzuki
THIRTY-SECOND DISTRICT:	Lennard J. Pepper
THIRTY-THIRD DISTRICT:	Tom Okamura

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THIRTY-FOURTH DISTRICT:	David Y. Ige
THIRTY-FIFTH DISTRICT:	Noboru Yonamine
THIRTY-SIXTH DISTRICT:	Roy M. Takumi
THIRTY-SEVENTH DISTRICT:	Julie R. Duldulao
THIRTY-EIGHTH DISTRICT:	Samuel S.H. Lee
THIRTY-NINTH DISTRICT:	Ron Menor
FORTIETH DISTRICT:	Robert Bunda
FORTY-FIRST DISTRICT:	Paul T. Oshiro
FORTY-SECOND DISTRICT:	Annelle C. Amaral
FORTY-THIRD DISTRICT:	Henry Haalilio Peters
FORTY-FOURTH DISTRICT:	Peter K. Apo
FORTY-FIFTH DISTRICT:	Alexander C. Santiago
FORTY-SIXTH DISTRICT:	D. Ululani Beirne
FORTY-SEVENTH DISTRICT:	Terrance W.H. Tom
FORTY-EIGHTH DISTRICT:	Marshall K. Ige
FORTY-NINTH DISTRICT:	Cynthia Thielen
FIFTIETH DISTRICT:	Devon M.T. Nekoba
FIFTY-FIRST DISTRICT:	Jackie Young

Signed by all members of the Committee.