

SCRep. 673 Consumer Protection and Commerce and Judiciary on H.B. No. 1636

The purpose of this bill is to reduce unlicensed activity in the motor vehicle repair industry by:

- (1) Authorizing the Motor Vehicle Repair Industry Board and the Regulated Industries Complaints Office to issue citations to unlicensed mechanics and motor vehicle repair dealers; and
- (2) Establishing civil penalties for violations of Chapter 437B, Hawaii Revised Statutes (HRS) -- the Motor Vehicle Repairs Law.

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

Your Committees find that:

- (1) The number of unlicensed motor vehicle mechanics and repair dealers operating in Hawaii has increased significantly in recent years; and
- (2) Unlicensed activities in the motor vehicle repair industry threaten the viability of law-abiding mechanics and repair dealers, as well as jeopardizes the welfare and safety of consumers.

In light of this, your Committees believe that the provisions of this bill will effectively reduce the proliferation of unlicensed activity in the motor vehicle repair industry, as well as protect the interests of the consuming public.

Furthermore, it is noteworthy to mention that language in Section 2 of the bill, as received, regarding civil penalties for unlicensed activities, was patterned after Section 444-23, HRS, pertaining to unlicensed contracting activities.

While your Committees are in accord with the intent of this bill, your Committees have amended this bill by making technical, nonsubstantive revisions for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1636, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1636, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Hirono and Takamine.

SCRep. 674 Consumer Protection and Commerce and Judiciary on H.B. No. 1629

The purpose of this bill as received by your Committees is to resolve an inconsistency in Hawaii's Lemon Law, between Sections 4811-3(b) and 4811-3(i) of the Hawaii Revised Statutes. The bill removes language providing that one of the remedies authorized under the State certified arbitration program is the repair of the motor vehicle.

Testimony in support of the bill was submitted by the Department of Commerce and Consumer Affairs. Testimony in opposition to the measure was submitted by a concerned citizen.

Your Committees find that the statutory authorization for an arbitrator to award an additional repair attempt has confused and frustrated consumers, manufacturers, and arbitrators. Under the current provisions of Hawaii's Lemon Law there appears to be an inconsistency between the remedies available to a consumer under Section 4811-3(b), and those authorized arbitrators under Section 4811-3(i). The former provision states that the consumer is entitled to a refund or to replacement of the motor vehicle. The latter provision allows an arbitrator to award not only a refund or a replacement of the motor vehicle, but also the repair of the motor vehicle.

Your Committees heard testimony that the current provisions of Hawaii's Lemon Law have led consumers to believe that they will be entitled to a refund or a replacement of their vehicle pursuant to a satisfactory judgment by an arbitrator, and manufacturers to believe that a consumer who fails to obtain a satisfactory judgment by an arbitrator will be entitled to only what has been contractually provided. In addition, because the state certified arbitration program is generally used only when the consumer and manufacturer reach an impasse in determining whether the motor vehicle is defective or has been successfully repaired, an order by the arbitrator to make additional repairs further extends a "bad relationship" between the consumer and manufacturers.

Your Committees are in accord with the intent of this bill and believe that the bill will remedy the inconsistency in the Lemon Law, as well as ensure the welfare of the general public. Your Committees have amended this bill by making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1629, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1629, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Hirono and Takamine.

SCRep. 675 Consumer Protection and Commerce on H.B. No. 1734

The purpose of this bill is to strengthen the licensure requirements for acupuncturists. Specifically, this measure would require applicants to complete not less than one thousand five hundred hours of education and training in the following manner prior to obtaining a license to practice acupuncture in the State:

- (1) At least two academic years (not less than six hundred hours) at a formal program in the science of acupuncture that results in the award of a diploma; and
- (2) One clinical year in an internship program supervised by a licensed acupuncturist.

Supportive testimony was submitted by the Professional and Vocational Licensing Division of the Department of Commerce and Consumer, and Board of Acupuncture (Board).

Your Committee has learned that the provisions of this bill would remedy an inconsistency between statutory law and administrative rules adopted by the Board. Under current regulations, applicants for acupuncture licensure are required to fulfill at least one thousand five hundred hours of education and training prior to receiving their licenses. However, the statutory provision that establishes educational and clinical requirements for licensure -- Section 436E, Hawaii Revised Statutes -- mandates the completion of the educational and clinical requirements in units of years.

As the result of this inconsistency, the Board has encountered situations in which applicants who have completed the one thousand five hundred hours of training within a two year period, have had to wait until the passage of the two years before obtaining an acupuncture license from the Board.

In light of this, your Committee believes that the provisions of this bill will remedy this inconsistency while assuring the competency of acupuncturist practicing in Hawaii, and thus ensure the welfare and safety of the consuming public.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1734, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 676 Consumer Protection and Commerce on H.B. No. 1537

The purpose of this bill is to clarify laws pertaining to traffic citations attributed to rental cars. Specifically, this bill would:

- (1) Require rental car companies to disclose on the rental agreement, in plain language and in at least ten-point bold typeface print, all processing and other related fees for unpaid parking citations issued to the lessee; and
- (2) Repeal a provision of the Hawaii Motor Vehicle Rental Law that states that:
 - (A) The lessee is liable for citations issued during the rental agreement;
 - (B) The lessor is responsible for the citation if the lessor does not provide the court the name and address of the lessee within forty-five days after notice of the violation is sent to the lessor; and
 - (C) The lessor's responsibility may be waived if the lessor submits the name and address of the lessee to the court and pays an administrative fee of five dollars per citation.

Supportive testimony was submitted by the Hawaii State Judiciary. In addition, the Office of Consumer Protection of the Department of Commerce and Consumer Affairs submitted comments on this measure.

In opposing this bill, the representative from the Car and Truck Renting and Leasing Association testified that the rental car industry pays a substantial amount of money toward the administrative costs of the unpaid citations of lessees. One particular company in the State pays approximately \$10,000 per month for this purpose.

While your Committee acknowledges the large financial burden placed on the rental car industry due to unpaid traffic citations, your Committee has also been informed that certain rental car companies have charged lessees the costs of the citation and fees in excess of the administrative fees charged by the courts, allowing the rental car companies to make a profit on traffic citations.

Furthermore, your Committee is concerned that under current Hawaii law, the Judiciary is authorized to receive an administrative fee from the rental car company and a fine from the lessee for a single traffic citation.

While your Committee agrees that there is a need to clarify State law pertaining to the foregoing issues, it is the foremost intent of your Committee to protect the interests of the consuming public, and to enact laws that are fair and reasonable.

Therefore, your Committee has amended this bill by:

- (1) Authorizing rental car companies to assess the costs of unpaid citations and a twenty dollar administrative fee on lessees, provided that it discloses on the rental car agreement in plain language and in ten-point bold typeface, the above-mentioned charges; and

- (2) Eliminating the provision that would repeal a section of the Hawaii Motor Vehicle Rental Law pertaining to the legal obligations of the lessor and lessee with regard to traffic citations.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1537, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Menor, Oshiro and Tom.

SCRep. 677 Consumer Protection and Commerce on H.B. No. 1565

The purpose of this bill is to allow the insurer and insured employer the option of offering a deductible for amounts paid by the insurer under the terms of worker's compensation insurance policies, provided that the deductible is not less than \$50,000.

Supportive testimony was submitted by the Department of Labor and Industrial Relations, the Hawaii Insurers Council, the Travelers Companies, the National Federation of Independent Business, and the Hawaii Independent Insurance Agents Association.

Your Committee finds that:

- (1) The establishment of a large deductible plan would afford larger employers an opportunity to obtain the advantages of self-funding within an insurance program rather than through a self-insurance plan;
- (2) The utilization of an insurance program in lieu of a self-insurance plan would provide greater security to employees by providing regulatory and guaranty oversight over workers compensation policies; and
- (3) It appears that employers who opt to utilize the proposed deductibles will experience "tremendous" savings in workers' compensation insurance premium costs.

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

- (1) Reduced the minimum deductible amount from \$50,000 to \$25,000; and
- (2) Made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1565, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono, Menor, Peters and Takamine.

SCRep. 678 Consumer Protection and Commerce on H.B. No. 775

The purpose of this bill, as received, is to repeal Acts 123 and 124, Session Laws of Hawaii 1992, relating to no-fault insurance reform.

Testimony in opposition to the measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Independent Insurance Agents Association, the State Farm Insurance Companies, the Hawaii State AFL-CIO, the Hawaii Insurers Council, the American Association of Retired Persons, and the Hawaii Academy of Plaintiffs' Attorneys.

Upon consideration, your Committee has amended this bill by deleting its contents and substituting in its place provisions:

- (1) Requiring motor vehicle insurers in this State to implement a fifteen percent rate reduction pursuant to Section 431:10C-202.5, and setting forth a specific rate reduction scheme for motor vehicle insurers who have failed to implement the rate reduction;
- (2) Changing the standard the commissioner must follow when reviewing exemption petitions from "imminent danger of insolvency" on the part of the insurer to a standard based on "a fair and reasonable rate of return";
- (3) Extending the rate reduction requirement for an additional year for those insurers who failed to reduce their rates in accordance with Section 432:10C-202.5; and
- (4) Adding a prohibition against fee splitting between health care providers.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 775, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Herkes, Menor, Oshiro and Takamine.

SCRep. 679 Consumer Protection and Commerce on H.B. No. 1971

The purpose of this bill is to prohibit as unfair and deceptive practices certain time-share related activities, including the use of a time share booth without disclosing that the booth is being used for the purpose of soliciting time share sales, the practice of requiring that a prospective time share purchaser complete attendance at a sales participation in order to qualify for a prize or gift, unless such requirement has been clearly disclosed, and the making of a representation that a time share purchase is an investment. The measure further seeks to prohibit the distribution of promotional or disclosure material separately if these materials were approved in consolidated form, the use of unregistered time share booths, and the misrepresentation of fees.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs (DCCA), Maui County Council Vice-Chair, Office of the Mayor of Maui County, Hawaii Association of Realtors, Outrigger Hotels Hawaii and Outrigger Activities Center, and Hawaii Hotel Association. Also supporting the bill were American Express Travel, Island Helicopters Kauai, Inc., West Maui Taxpayers Association, Lahaina Town Action Committee, Hawaii Activities and Tours Association, Activity Owners Association Hawaii, Ka'anapali Beach Hotel.

Opposing the bill was the Kona Coast Resort Limited Partnership.

Your Committee finds that certain onerous practices prevail in the time-share industry, for example, luring prospective time share purchasers into sales presentations with the promise of cut-rate recreational activities, prizes and free gifts. These practices hurt the tourist industry and the community, and create bad will for the State. DCCA reported to your Committee that it has received complaints related to time share activities which include advertising violations, misrepresentation during sales presentations and unregistered activities.

While supportive of the bill, DCCA testified that amendments to the measure were necessary, and accordingly, your Committee has amended this bill by:

- (1) Requiring that time share booths be conspicuously identified; and
- (2) Making distribution of promotional or disclosure material a prohibited practice where such material was filed with DCCA in a consolidated form.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1971, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hirono, Menor, Oshiro and Tom.

SCRep. 680 Consumer Protection and Commerce on H.B. No. 1635

The purpose of this bill is to clarify the Uniform Land Sales Practices Act by eliminating a provision that legally obligates contractors who acquire an interest in subdivided lands to construct buildings on the lands within two years of acquiring that interest in order for the contractor to be exempted from regulatory oversight under Chapter 484, Hawaii Revised Statutes (HRS).

In supporting this measure, the Department of Commerce and Consumer Affairs testified that the provisions of this bill would not compromise the welfare or safety of consumers because the contractor that acquires an interest in subdivided lands would be required to either comply with registration requirements, or demonstrate that the real estate transaction is exempted under Section 484-3, HRS, at the time the subdivided land is sold to the ultimate consumer.

A Honolulu law firm, (Dwyer Imanaka Schraff & Kudo) also submitted favorable comments on this measure.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1635, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono, Menor, Peters and Takamine.

SCRep. 681 Consumer Protection and Commerce on H.B. No. 1632

The purpose of this bill is to change professional vocational license revocation and suspension periods from two to five years.

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

Your Committee finds that license suspensions and revocations are sanctions relegated to only the most serious violations of law, and that the proposed period of five years parallels the period mandated to suspended or disbarred attorneys, pursuant to Rule 2.17(b), Rules of the Supreme Court of the State of Hawaii.

In light of this, your Committee believes that the provisions of this bill will enhance ability of DCCA to: (1) regulate the various professions and vocations governed under Chapter 436B, Hawaii Revised Statutes (HRS), Uniform Professional and Vocational Licensing Act; and (2) ensure the welfare and safety of the consuming public.

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

- (1) Ensured consistency between the provisions of the Uniform Professional and Vocational Licensing Act by changing the maximum license suspension period authorized pursuant to Section 436B-20, HRS, from two to five years; and
- (2) Made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1632, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachyola, Takamine and Tom.

SCRep. 682 Consumer Protection and Commerce on H.B. No. 1127

The purpose of this bill is to amend Act 130, Session Laws of Hawaii 1992, to extend the date during which a public utility may pay a higher rate for non-fossil fuel than that approved by the Public Utilities Commission, under certain conditions.

Your Committee received testimony in favor of the bill from the Department of Commerce and Consumer Affairs, the Department of Budget and Finance, C. Brewer and Company, Hawaiian Electric Company, and Hawaiian Commercial & Sugar Company, with some minor suggested changes.

After receiving the public testimony, your Committee amended the bill by:

- (1) Retaining the provision stipulating that the higher rate can be paid only during the time in which the Act is in effect, or if the purchase occurred during that time; and
- (2) Making other technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1127, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono, Menor, Peters and Takamine.

SCRep. 683 Consumer Protection and Commerce on H.B. No. 2087

The purpose of this bill is to make various housekeeping revisions to Chapter 467, Hawaii Revised Statutes (Real Estate Brokers and Salesmen).

In supporting this measure, the Real Estate Commission testified that the provisions of this bill will, among other things, correct errors in statutory language that were inadvertently overlooked during previous legislatures.

While your Committee agrees with the intent of this bill, your Committee believes that additional language is needed to clarify the use of an unlicensed individual's name in the name or trade name of a real estate brokerage.

In light of this, your Committee has amended this bill as follows:

- (1) Provided that a real estate broker's license be placed on inactive status unless the broker's name or trade name is changed to exclude the name of an unlicensed person, or an individual who no longer is employed by the broker; and
- (2) Made technical, nonsubstantive revisions for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2087, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 684 Consumer Protection and Commerce on H.B. No. 1158

The purpose of this bill is to provide a real estate brokerage license to a copartnership if the copartnership is under the direct management of an employee with a brokerage license.

Supportive testimony was submitted by the Real Estate Commission.

Your Committee finds that presently, if all general partners in a real estate broker partnership hold real estate brokers licenses, the real estate broker partnership may hold a real estate license. This is based on the statutory rights, powers, and liabilities of a general partner. Unlike officers of a corporation, all the general partners of a partnership may be held liable, jointly and severally, for all the debts and liabilities of the partnership.

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

- (1) Deleted the requirement to pass a written examination and allowing a person being issued a license to pass any form of examination required by the Real Estate Commission. By doing so, an examination may be given in many forms, especially in the case of accommodating the disabled candidates and future electronic examinations; and
- (2) Inserting language which states that no license shall be issued to any partnership unless the real estate brokerage business thereof is under the direct management of a general partner or employee thereof and unless the general partner or employee holds a real estate broker's license. This represents language that is consistent with paragraph (5), while preserving the original intent of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1158, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 685 Consumer Protection and Commerce on H.B. No. 1886

The purpose of this bill is to clarify State law pertaining to professional engineers, architects, surveyors, and landscape architects. Specifically, this bill would:

- (1) Eliminate a provision that states that a quorum for the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board) consists of six members;
- (2) Lengthen the period of time that a lapsed license may be renewed without re-application; and
- (3) Impose administrative fines on firms for the noncompliance of licensing and filing requirements.

Testimony was submitted by the Board, the Hawaii Section of the American Congress on Surveying and Mapping, and a concerned Board member.

Your Committee finds that if language regarding the quorum of Board meetings in Section 464-7, Hawaii Revised Statutes (HRS), were repealed, quorum requirements for the Board would be strengthened. Because Section 464-7, HRS, states that a quorum consists of six members, and that the current membership of the Board is fourteen, the elimination of the foregoing language would require the Board to adhere to quorum requirements established under Chapters 92, and 436B, HRS. A quorum consists of a majority of the members of a board or commission under Sections 436B-6 and 92-15, HRS.

However, your Committee believes the lengthening of the above-referenced time period for the renewal of lapsed licenses would jeopardize the welfare of the consuming public.

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

- (1) Deleted language pertaining to administrative fines for the noncompliance of licensing requirements; and
- (2) Eliminated the proposal to lengthen the time that a lapsed license may be renewed without re-application; and
- (3) Made technical, non-substantive revisions for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1886, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 686 Consumer Protection and Commerce on H.B. No. 1633

The purpose of this bill is to remove the statutory requirement that massage therapists serve a six-month training period as a prerequisite to examination and licensing.

Your Committee received testimony in favor of the bill from the Chairperson of the Board of Massage Therapy and a member of the American Massage Therapy Association. The Board noted that it would be more appropriate to evaluate potential applicants on the content and substance of their training and skills, rather than by an arbitrary training time period.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1633 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 687 Consumer Protection and Commerce on H.B. No. 1678

The purpose of this bill is to clarify and strengthen the regulatory provisions of Chapter 329, Hawaii Revised Statutes -- the Uniform Controlled Substances Act. Specifically, this bill would:

- (1) Require persons who dispense or propose to dispense any controlled substance for use in Hawaii by shipping, mailing, or delivering the controlled substance from a location out of this State to obtain a registration issued by the Department of Public Safety (DPS); and
- (2) Eliminate an annual registration requirement for the manufacturers, distributors, prescribers, and dispensers of controlled substances.

In supporting this measure, DPS testified that:

- (1) The activities of mail-order pharmacies are presently not regulated under State law; and
- (2) The provisions of this bill would allow DPS to conform registration requirements (via administrative rules) with the Federal Drug Enforcement Administration's policy of requiring re-registration every three years.

In light of this, your Committee believes that the provisions of this bill will reduce the confusion experienced by manufacturers, distributors, prescribers, and dispensers of controlled substances during the registration process, enhance the ability of DPS to administer the Uniform Controlled Substances Act, and ensure the welfare of the consuming public.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1678 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 688 Consumer Protection and Commerce on H.B. No. 1731

The purpose of this bill is to repeal the July 1, 1995, drop dead date provision of Section 467-11.5, Hawaii Revised Statutes, requiring mandatory continuing education, thereby making permanent the real estate licensing renewal requirement of attending ten hours of real estate continuing education or its equivalent every two years.

Supportive testimony was received from the Real Estate Commission, Hawaii Association of Realtors, Hawaii Island Board of Realtors, Inc., Maui Board of Realtors, Inc., Molokai Board of Realtors, Kauai Board of Realtors, Kona Board of Realtors, the Honolulu Board of Realtors, the Real Estate Educators Association of Hawaii, and concerned citizens.

Your Committee finds that the real estate industry continues to spiral in complexity. Volumes of new state, federal and county laws, rules and regulations, expanding court decisions and significant, creative and innovative changes in the way real property is held, transferred, and financed represent major reasons for making permanent the mandatory continuing education requirement for real estate licensees.

More importantly, the mandatory continuing education program contributes significantly to protecting the real estate consumers and equalizing professional knowledge and competency among real estate licensees. Removing the drop dead

date provision would allow the Commission and others involved in the continuing education program to make decisions on long range plans, five-year programs of work, and commitment of financial resources.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1731 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 689 Consumer Protection and Commerce on H.B. No. 1583

The purpose of this bill is to clarify several ambiguous points in Chapter 486, Hawaii Revised Statutes, to update Hawaii law to correspond with current national consensus standards for uniformity in weights and measures, and to update and clarify penalties.

Supportive testimony was submitted by the Chair of the Board of Agriculture.

Your Committee finds that this provision will strengthen and enforce the operations of the department.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1583 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono, Menor, Peters and Takamine.

SCRep. 690 Consumer Protection and Commerce on H.B. No. 1634

The purposes of this bill are to:

- (1) Add a new Section to Chapter 437B, Hawaii Revised Statutes (HRS), to set out repair dealer registration requirements, and empower the Motor Vehicle Repair Industry Board to inspect repair facilities;
- (2) Amend the definition of a "motor vehicle" in Section 437B-1, HRS;
- (3) Amend the definition of "repair of motor vehicles" by deleting the reference to replacing fan belts from among the work items that can be performed by non-mechanics;
- (4) Require licensees to demonstrate continued compliance with all registration and certification requirements at the time of license renewal;
- (5) Require the name of the full-time motor vehicle mechanic for each motor vehicle repair facility registered;
- (6) Limit restoration of a forfeited registration to one year from the date of forfeiture; and
- (7) Delete the inactive registration status from the statutes.

The Motor Vehicle Repair Industry Board presented testimony in favor of this bill.

Your Committee believes that the provisions of this bill will strengthen the operations of the motor vehicle repair industry, as well as protect the welfare and safety of the consuming public.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1634 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 691 Judiciary and Consumer Protection and Commerce on H.B. No. 1585

The purpose of this bill is to bring this State's Poultry Inspection Laws, Chapter 161, Hawaii Revised Statutes (HRS), more closely in line with the federal Poultry Products Inspection Act, Pub. L. 85-172; 71 Stat. 441; 21 U.S.C.A. Section 451 et seq., (PPIA).

Your Committees received testimony in support of this bill from a representative of the State Board of Agriculture.

Your Committees agree with the intent of this bill. Federal law requires that the Hawaii Meat and Poultry Inspection Program (Program) conform to standards at least equal to those established under the PPIA. Failure to do so would result in the cessation of federal funds and the federal takeover of poultry processing industries in this state. Your Committees also find that this bill brings the language of Chapter 161, HRS, into line with that of the Hawaii Meat Inspection Act, Chapter 159, HRS.

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

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1585, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1585, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Herkes, Hiraki, Oshiro, Peters and Takamine.

SCRep. 692 Judiciary on H.B. No. 62

The purpose of this bill is to establish the offense of unlawful entry upon the premises of a facility utilized as a sex abuse, child abuse, or spouse abuse shelter. It prohibits any person to knowingly enter or unlawfully remain upon the premises of a facility after reasonable warning, or request to leave by a facility staff member. This measure makes a violation a misdemeanor.

Shelters were established to provide safe places for victims of family violence and sexual assault. Since the locations of these places are often known and abusers often angry, individuals seeking shelter and the shelter staff could be at risk. Your Committee fully supports this measure, which would afford a higher level of legal protection for shelter staff and those who seek refuge from abuse.

Testimony from the Department of the Prosecuting Attorney, of the City and County of Honolulu supported this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 62 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Bunda, Cachola, Hirono, Oshiro and Peters.

SCRep. 693 Judiciary on H.B. No. 1603

The purpose of this bill is to authorize the Hawaii Community Development Authority's (HCDA) to impose administrative penalties for violation of any provisions of Chapter 206E, Hawaii Revised Statutes (HRS), or rules adopted by the HCDA, including land use and zoning violations.

Testimony in support of this measure was submitted by HCDA.

The HCDA is authorized to oversee the redevelopment of Kakaako and regulate all projects developed within the area through land use and zoning regulations. While the HCDA is authorized to pursue criminal prosecution of anyone violating these regulations, HCDA does not have the authority to enforce the regulations through an administrative procedure.

Accordingly, your Committee has amended this bill by clarifying that the HCDA may set, charge, and collect reasonable fines for the violation of any rule adopted pursuant to Chapter 91, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1603, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1603, H.D. 1.

Signed by all members of the Committees except Representatives Bunda, Cachola, Herkes, Peters and Takamine.

SCRep. 694 Judiciary on H.B. No. 284

The purpose of this bill is to amend certain sections of Chapter 338, Hawaii Revised Statutes, by deleting references to the concept of the "legitimation" of children born to unmarried parents. Also, this bill requires, as a prerequisite to the issuing of a new birth certificate, an affidavit of paternity, a court order establishing paternity, or the natural parents' marriage certificate.

Your Committee finds that the label of "legitimate," with reference to children born to unmarried parents, is outdated. Hawaii's birth statistics no longer use this term and your Committee believes that these children should not be branded as being "illegitimate."

The Department of Health (Department), testified in support of this measure. The Department recommended a minor change to this bill on page one, line nineteen, by substituting the words "together with" for the word "and."

Your Committee has amended this bill by:

1. Substituting the words "together with" for the word "and" on page one, line nineteen of the bill for the purpose of clarification; and
2. Making other technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 284, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 284, H.D. 2.

Signed by all members of the Committee except Representatives Bunda, Cachola, Hirono, Oshiro and Peters.

SCRep. 695 Judiciary on H.B. No. 1990

The purpose of this bill is to permit residents of Lanai the opportunity to run for a seat on the Board of Trustees of the Office of Hawaiian Affairs (OHA), and represent Molokai, and to permit residents of Niihau the opportunity to run for a seat on the Board of Trustees of OHA and represent Kauai.

Your Committee received testimony from representatives of the Office of the Lieutenant Governor and OHA in support of this bill.

Your Committee finds that Section 13D-1, Hawaii Revised Statutes, presently precludes residents of Lanai and Niihau from running for representative seats. Your Committee finds that the bill before your Committee will correct this anomaly without conflicting with those provisions of Article XII, Section 5, of the Constitution of the State of Hawaii, which require that specified islands have a representative on the Board of Trustees of OHA.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1990, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1990, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Peters and Takamine.

SCRep. 696 Judiciary on H.B. No. 975

The purpose of this bill is to allow the counties to administratively add unpaid civil fines, which are otherwise collectable by the counties, to the violator's real property taxes and water service charges.

Your Committee received testimony in favor of the bill from the City and County of Honolulu's Department of Land Utilization and the Liliha/Kapalama Neighborhood Board No. 14.

Your Committee recognizes that the Legislature has given the Counties the power to impose civil fines, but experience has shown that certain scofflaws have managed to avoid paying the fines because of a lack of convenient enforcement mechanisms.

Your Committee finds that the proper approach to this issue is for the Legislature to enable the Counties to decide for themselves, by ordinance, whether to attach fines administratively to other county fees or taxes.

Therefore, your Committee has amended the bill by:

- (1) Deleting all of the changes to the current statute, Section 46-1.5, Hawaii Revised Statutes (HRS), proposed by the bill;
- (2) Inserting language permitting the counties to adopt, by ordinance, a mechanism to attach civil fines to other county fees or taxes;
- (3) Amending this bill to provide that it shall not affect rights and duties that have already matured; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 975, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 975, H.D. 2.

Signed by all members of the Committee except Representatives Bainum, Bunda, Herkes, Hirono and Peters.

SCRep. 697 Judiciary on H.B. No. 1322

The purpose of this bill is to establish multidisciplinary teams statewide for critical child abuse or neglect cases and provide for the development and implementation of mandatory teaming statewide.

More and more of Hawaii's children have become victims of child abuse and neglect sustaining serious injuries resulting in hospitalization and sometimes permanent disability or death. The goal of protecting children from harm, abuse, and neglect has not been adequately met. Although the multidisciplinary approach to child protection appears to have great merit and potential in meeting this goal, it has been given little attention. Notably, the multidisciplinary approach has not been statutorily defined and implemented but instead has remained consultative in nature. Consequently, a recent study entitled, "The Role of the Multidisciplinary Team in the Diagnosis and Treatment of Child

Abuse and Neglect in Hawaii", recommended that the multidisciplinary approach be statutorily established so that teams throughout the State will have uniform standards to follow when providing child protection services.

Testimony in support of this measure was submitted by the Department of Human Services (Department), the American Academy of Pediatrics--Hawaii Chapter, the Kapiolani Medical Center for Women and Children, the Child Protection Team of West Hawaii, the Hawaii Psychological Association, and the Child Abuse and Neglect Secondary Prevention Advisory Committee.

Your Committee has amended this bill by:

- (1) Deleting the proposed statutory provision in Section 2 addressing the findings of the Legislature as well as citing the purpose which is to establish mandatory and uniform guidelines for teaming because the intent of the bill is to establish teams and to allow the Department to establish administrative rules in the use of the teams;
- (2) Renaming the new section to be added to Chapter 350, Hawaii Revised Statutes (HRS), to "Multidisciplinary team services";
- (3) Clarifying that multidisciplinary teams do not have to be established within all counties of the State of Hawaii to allow greater flexibility in establishing teams based on community need and available resources;
- (4) Clarifying that teams may also have the assistance of other professionals;
- (5) Specifying that professionals in forensic medicine may also participate with the team because a forensic physician can provide an expert opinion with regards to the nature and cause of the injury on specific types of child abuse and neglect cases;
- (6) Requiring the Department to establish rules pursuant to Chapter 91, HRS, for the mandatory use of teams on critical cases of child abuse and neglect;
- (7) Requiring the Department to establish a statewide system for the implementation and enforcement of the mandatory teaming rules but eliminating the responsibility to follow through on team recommendations. Your Committee notes that teams are not well-developed on the neighbor islands and that the follow through process will not be immediately implemented. Nonetheless, the follow through process is essential to the success of the multidisciplinary approach and although this responsibility will be eliminated, your Committee does so with the assurance that the Department will develop a system in the near future. If the Department should fail to develop a system for the follow through process, your Committee will revisit this area again next year; and
- (8) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1322, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1322, H.D. 2.

Signed by all members of the Committee except Representatives Bunda, Cachola, Hirono, Oshiro and Peters.

SCRep. 698 Judiciary on H.B. No. 251

The purposes of this bill are:

1. To amend chapter 165, Hawaii Revised Statutes (HRS), by adding two new sections. One section allows a defendant to recover attorneys' fees and costs in any nuisance action, that the court determines to be frivolous, where a farming operation is alleged to be a nuisance. The other section mandates that this chapter is to be liberally construed to effectuate its purposes;
2. To amend section 165-2, HRS, to clarify the definitions of "established date of operation" and "farming operation" and to delete the definition of "expansion;" and
3. To amend section 165-4, HRS, to declare that all county ordinances, that make farm operations a nuisance or provide for the abatement of such an operation as a nuisance, shall be void.

The Board of Agriculture, the Hawaii Farm Bureau, the Hawaiian Sugar Planter's Association, and Kahua Meat Co. Ltd. testified in support of this measure. Three individuals from the community opposed this measure. The Hawaii Academy of Plaintiff's Attorneys (HAPA) testified that the proposed language relating to frivolous lawsuits is unnecessary because section 607-14.5, HRS, already covers this situation.

Your Committee is aware that the Hawaii Right to Farm Act, under chapter 165, HRS, attempts to limit the circumstances under which farming operations may be deemed to be a nuisance. However, your Committee believes that this bill is overly broad in certain areas and that a further clarification to the bill is needed.

Accordingly, your Committee has amended this bill as follows:

1. Deleted that portion of SECTION 1 of the bill that mandates that a defendant shall recover attorneys' fees and costs in any nuisance action, that the court determines to be frivolous, where a farming operation is

alleged to be a nuisance. Your Committee has concerns that, under this bill as written, only a defendant would be allowed to recover costs and attorneys fees in a frivolous lawsuit of this nature. Additionally, as pointed out by HAPA, section 607-14.5, HRS, already protects both plaintiffs and defendants from actions where claims or defenses are frivolous. However, your Committee is aware of the farmers' concerns that they are subject to frivolous lawsuits. Accordingly, your Committee has inserted language into SECTION 1 of this measure that specifically recognizes that any action alleging a farming operation to be a nuisance, found to be frivolous by the court, shall be governed by section 607-14.5, HRS;

2. Clarified the language on page 2 of house draft 1, that deals with the established date of the farming operation. Your Committee decided to allow the established date of the farming operation for each change to relate back to the date for the original operation provided that this does not violate existing state law or county ordinances. Your Committee has inserted this condition into the bill;
3. Changed the definition of "farming operation" located in SECTION 2 of the bill. Your Committee deleted the words "noise; odors; dust; fumes" from line 5 of this bill's house draft 1 and substituted the phrase "noises, odors, dust, and fumes emanating from a commercial agricultural or an aquacultural facility or pursuit." As written, the words noise, odors, etc., could apply to any activity and your Committee felt that further clarification was in order;
4. Deleted from SECTION 3 of this measure the proposed new subsection (c) to section 165-4, HRS. The proposed language provides that all county ordinances that either declare or make a farm operation a nuisance or provide for the abatement of a farming operation as a nuisance, shall be void. Your Committee felt that this provision was overly broad. Your Committee believes that the counties, either through zoning laws or other ordinances, should be permitted to make laws regulating agricultural uses. Since your Committee has deleted subsection (c), it has also deleted the reference to this subsection, that is contained in section 165-4(a)(1), HRS;
5. Deleted from SECTION 3, the proposed new language to paragraph (2) of section 165-4(a), HRS. Your Committee kept the present language. Your Committee preferred the present standard of reasonable care to the proposed standard of conforming to generally accepted agricultural and management practices in Hawaii;
6. As a result of the foregoing changes made by your Committee to SECTION 3 of the bill, section 165-4 has not been changed and it has reverted to its present language. Thus, your Committee deleted section 165-4, HRS, from SECTION 3 of this bill. Since there are no changes to section 165-4, HRS, under this house draft, that portion of the bill has been deleted and the remaining sections have been renumbered; and
7. Made other technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 251, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 251, H.D. 2.

Signed by all members of the Committee except Representatives Bainum, Bunda, Herkes, Hirono and Peters.
(Representative Thielen voted no.)

SCRep. 699 Finance on H.B. No. 1453

The purpose of this bill is to strengthen Hawaii's families by establishing the Hawaii Children's Trust Fund (Fund) to prevent child abuse and neglect primarily by the award of grants for primary and secondary prevention activities and appropriates moneys to the Fund.

This bill also establishes:

- (1) The Hawaii Children's Trust Fund Advisory Board for grantmaking and fundraising;
- (2) The Hawaii Children's Trust Fund Coalition (Coalition) to develop policy, plan, develop strategy, and publicize the Fund, and solicit public and private moneys for the Fund; and
- (3) A Steering Committee of the Coalition to provide leadership for the Coalition.

Testimony in support of this bill was submitted by the Department of Education, the Office of Children and Youth, the Hawai'i Children's Trust Fund Coalition, the Mental Health Association in Hawai'i, the National Association of Social Workers, the Hawaii Youth Services Network, Hawaii Advocates for Children and Youth, Parents and Children Together, the Child Abuse & Neglect Secondary Prevention Advisory Committee, PREVENT Child Abuse Hawaii, the Catholic Charities of the Diocese of Honolulu, and several private citizens. Your Committee also received testimony in support of the intent of the bill from the Department of Health (DOH). However, the DOH indicated that given the uncertain economic forecast for the State, it cannot recommend any appropriation of general funds to the Hawaii Children's Trust Fund this fiscal year.

Your Committee has amended the bill by making technical, nonsubstantive amendments to correct drafting errors and for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1453, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1453, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Kanoho and Tajiri.

SCRep. 700 Finance on H.B. No. 1653

The purposes of this bill are to establish:

- (1) The Hawaii Emergency Planning and Community Right-to-Know Act (HEPCRA) 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; and
- (2) The Hawaii Emergency Planning and Community Right-to-Know Act Fund into which will be deposited filing fees, penalties, and fines collected from facilities that store hazardous substances to finance the development of the HEPCRA Program.

In testifying in support of this measure, the Department of Health stated that the establishment of HEPCRA would help promote public awareness of, and safeguard the residents of the State against the health hazards and other risks associated with the use, storage, distribution, and transportation of hazardous materials.

The Hawaiian Electric Company submitted testimony in support of the intent of the bill; however, it was opposed to various aspects of the HEPCRA Program as proposed.

Upon further consideration, your Committee has amended this bill by making extensive technical, nonsubstantive changes to correct drafting errors, and for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1653, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1653, H.D. 2.

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

SCRep. 701 Finance on H.B. No. 1730

The purpose of this bill is to amend Hawaii's insurance laws to enable the Insurance Division of the Department of Commerce and Consumer Affairs to meet the accreditation standards of the National Association of Insurance Commissioners (NAIC).

The statutory amendments are necessary for Hawaii to achieve accreditation by the NAIC by the January, 1994, deadline.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs, the American Council of Life Insurance, and the Royal State National Insurance Co., Ltd.

Your Committee has made extensive technical, nonsubstantive amendments throughout the bill to correct drafting errors and for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1730, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1730, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Tam and Ward.

SCRep. 702 Finance on H.B. No. 1330

The purposes of this bill are to:

- (1) Extend the Revolving Loan Program for Business Opportunities on Molokai (Program) until June 30, 1995;
- (2) Allow the Department of Business, Economic Development, and Tourism (DBEDT) to transfer moneys from the Program to the general fund; and
- (3) Require DBEDT to develop and adopt an action plan for administering the Program.

Your Committee received supporting testimony from DBEDT. The Molokai Chamber of Commerce also testified in support of the bill, but emphasized the need for additional personnel support for the Program.

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

- (1) Specifying that all moneys appropriated to the Program but remaining unencumbered or unexpended on June 30, 1995, shall lapse into the general fund; and
- (2) Technical, nonsubstantive amendments were also made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1330, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1330, H.D. 2.

Signed by all members of the Committee.
(Representative Marumoto voted no.)

SCRep. 703 Finance on H.B.No. 741

The purpose of this bill is to appropriate funds for a comprehensive review of the State Penal Code.

Your Committee received testimony in favor of this bill from the Judiciary, the Office of the State Attorney General, and the Department of Public Safety.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 741, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 741, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 704 Finance on H.B. No. 658

The purpose of this bill is to authorize the issuance of \$8,000,000 in special purpose revenue bonds to assist Zions Securities Corporation, a Hawaii corporation, to finance the construction of an expanded community wastewater collection system in Laie, provided that the facilities to be financed meet the approval of the Department of Health (DOH) and the Department of Public Works of the City and County of Honolulu.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 658, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 658, H.D. 2.

Signed by all members of the Committee.

SCRep. 705 Finance on H.B. No. 1178

The purpose of this bill is to authorize the issuance of \$500,000,000 in special purpose revenue bonds to assist Waimana Enterprises, Inc. in the establishment of a cogeneration facility on Oahu.

Kawaihae Cogeneration Partners, a partnership of Waimana Enterprises and Diamond Energy, Inc., testified in support of this bill. Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd. expressed concerns about the large amount of authorization (\$500,000,000) and the lengthy authorization period (to December 31, 2003). They testified that such an authorization could preclude other worthy projects from obtaining similar financing.

Upon further consideration, your Committee has amended this bill by reducing the amount of the bond authorization from \$500,000,000 to \$50,000,000.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1178, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1178, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 706 Finance on H.B. No. 1473

The purpose of this bill is to more equitably spread utility restoration and repair costs incurred as a result of a state-declared emergency among utility service ratepayers on a statewide basis.

More specifically, this bill would authorize a utility that sustains damages to its facilities as a result of a state-declared emergency and incurs costs related to the repair and restoration of its facilities in excess of \$10,000,000, to assess a monthly surcharge to ratepayers on a statewide basis. The bill provides that the surcharge be based on restoration costs and loss of revenues from billed services incurred as the result of the emergency.

Your Committee recognizes that state-declared emergencies such as Hurricane Iniki can devastate the operations and facilities of utilities, which provide vital services to the State. In the aftermath of such disasters, these utilities face immense costs to restore and repair their damaged facilities, and consequently, must recover such costs from their customers through substantial rate increases.

Current law requires ratepayers to pay for utility costs, including utility restoration costs, as part of the rates set by the Public Utilities Commission (PUC). However, assessing net restoration and repair costs solely upon utility customers directly served by utility facilities that were damaged in a disaster imposes an extreme financial burden upon those persons who may have already suffered great physical, mental, emotional, and financial hardship as a result of the disaster. To alleviate this hardship, the costs to restore and repair these utilities must be shared and borne by the entire community, and therefore having a means to reimburse utilities by spreading the costs of reconstruction among the entire State is imperative.

Testimony in support of this measure was received from the Mayor of the County of Kauai; the Council Chair of the County of Kauai; GTE Hawaiian Telephone Inc.; and the Manager of Administration at Citizens Utilities Company, Kauai Electric Division. The Department of Commerce and Consumer Affairs; the Department of Business, Economic Development, and Tourism; and the Vice President of Planning for Hawaiian Electric Company, Inc., on behalf of Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company testified in support of the intent of the bill. Your Committee also received substantial written comments on the bill from various testifiers, as well as from the Chair of the Public Utilities Commission and the Department of the Attorney General.

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

- (1) Specifying that if restoration and repair costs of a utility's facilities are assessed only to the ratepayers of the island affected by the emergency and the rate increases more than fifteen percent to the average ratepayer on the affected island, then the utility may make a request to the PUC for a monthly surcharge to be assessed on statewide basis;
- (2) Basing the surcharge to ratepayers on a utility's restoration and repair costs, rather than on restoration costs and loss of revenues from billed services incurred as the result of the emergency;
- (3) Limiting the amount of the surcharge to no more than fifteen percent to the average ratepayer on the other islands;
- (4) Excluding ratepayers on an island with rates which are already substantially higher than that of the other islands from the imposition of the surcharge;
- (5) Allowing a utility to file an application with the PUC, setting forth its estimated restoration and repair costs;
- (6) Specifying that the period of assessment of a surcharge not exceed ten years;
- (7) Providing that upon notice, hearing, and a determination that a utility's application is just, reasonable, and in the public interest, the PUC may issue an order to allow a utility to implement a surcharge;
- (8) Stipulating that within sixty days after the filing of a utility's application, the PUC may issue an order to allow a utility to implement a surcharge;
- (9) Enabling the PUC to revise the surcharge to reflect changes in actual restoration and repair costs or other sources of recovery, including shareholder contributions; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1473, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1473, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 707 Finance on H.B. No. 124

The purposes of this bill are to revise:

- (1) The transient accommodations tax rate from 5 percent to an unstated percentage; and
- (2) The distribution of the transient accommodations tax to the counties (14.5 percent for County of Kauai; 18.6 percent for the County of Hawaii; 44.1 percent for the City and County of Honolulu; and 22.8 percent for the County of Maui) at unstated percentages.

The Department of Taxation supported increasing the State's share to 30 percent of the taxes collected. In addition, the Hawaii County Council expressed support for the measure as long as the level of funding provided to the counties remains intact.

The following testified in opposition: the Honolulu City Council, the City and County of Honolulu's Department of the Budget, and the Chamber of Commerce of Hawaii. The Hawaii Hotel Association and the Maui Hotel Association opposed any increase to the transient accommodations tax.

The Tax Foundation of Hawaii submitted comments.

Your Committee amended this bill to correct a technical drafting error.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 124, H.D. 1.

Signed by all members of the Committee.
(Representative Ward voted no.)

SCRep. 708 Finance on H.B. No. 1522

The purpose of this bill is to authorize a two-year pilot program in which the Department of Education may retain up to ten percent of any unexpended or unencumbered appropriation from one fiscal year for use during the next fiscal year under the direction of the Department of Budget and Finance.

Testimony in support of this bill was submitted by the Department of Budget and Finance. The Department testified that this measure offers the Department of Education a clear incentive for promoting efficiency and reducing costs of its operations. This approach would be compatible with other proposed educational reforms, such as lump-sum budgeting and school/community based management.

In addition, the Department stated that the pilot program would also serve to identify and clarify issues that may need to be addressed before such an approach can be considered for permanency or universal applicability to all State agencies.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1522, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1522, H.D. 2.

Signed by all members of the Committee.

SCRep. 709 Finance on H.B. No. 1738

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

This bill:

- (1) Requires the establishment of the literacy and lifelong learning program within the Hawaii State Public Library System;
- (2) Establishes the Public-Private Partners for Literacy Trust Fund within the Hawaii Community Foundation, a Hawaii nonprofit corporation, to be used exclusively for family literacy programs; and
- (3) Establishes the Advisory Council for Literacy and Lifelong Learning within the Office of the State Librarian to advise the Board of Education on matters relating to literacy and lifelong learning programs.

Testimony in support of this bill was submitted by the Board of Education; the State Librarian; the Hawaii Library District of the Hawaii State Public Library System; the Governor's Office of Children and Youth; the State Library Advisory Commission; Hawaii Literacy, Inc.; Friends of the Library of Hawaii; and two interested citizens. An individual expressed concerns about the transfer if it reduces the ability of the libraries to perform their primary functions. The Department of Education supported the intent of the bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1738, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1738, H.D. 2.

Signed by all members of the Committee.
(Representative Alcon voted no.)

SCRep. 710 Finance on H.B. No. 888

The purpose of this bill is to restrict the availability of real property appraisal reports done for the State in connection with the proposed acquisition of the property by declaring them not to be public records until after the acquisition is completed or abandoned.

The Department of Land and Natural Resources testified in favor of the bill, stating that they currently do not make available for public review appraisal reports covering private property being acquired for public purposes until after the acquisition is completed or abandoned.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 888, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 888, H.D. 2.

Signed by all members of the Committee.

SCRep. 711 Finance on H.B. No. 1799

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in \$5,000,000 for the purpose of assisting Hawaiian Entrepreneurs in the establishment of a manufacturing and processing facility.

Testimony in support of this measure was received from a member of the Hawaii County Council and Hui 'Enekinia Hawai'i. Hui 'Enekinia Hawai'i explained that the development and operation of the envisioned facility will result in the production of utility-grade electricity that will be sold to franchised electric utility companies to assist in meeting Big Island demands for electricity.

Your Committee has made a technical amendment by adding the effective date.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1799, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1799, H.D. 2.

Signed by all members of the Committee.

SCRep. 712 Finance on H.B. No. 2015

The purpose of this bill is to prepare for the potential transfer of Kaho'olawe from the federal government to the State.

Among other things, this measure:

- (1) Establishes the Kaho'olawe Island Reserve Commission that will have policy and management oversight for the Kaho'olawe island reserve;
- (2) Providing that after the federal government returns the island of Kaho'olawe and its waters to the State, the State shall hold Kaho'olawe in trust until the State transfers management and control to the sovereign, native Hawaiian entity;
- (3) Appropriating funds to the Department of Land and Natural Resources to carry out the purposes of this measure; and
- (4) Authorizing the Office of State Planning and the Department of the Attorney General to initiate the conveyance of Kaho'olawe to the State.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Office of State Planning, and the Protect Kaho'olawe Ohana.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2015, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2015, H.D. 2.

Signed by all members of the Committee.

SCRep. 713 Finance on H.B. No. 2042

The purpose of this bill is to establish the "Hawaii State Library Foundation Trust Fund", as a separate trust fund of the Hawaii State Library Foundation, to provide financial support for programs of the Hawaii State Public Library System.

The Governor's Office of Children and Youth submitted testimony in strong support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2042, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2042, H.D. 1.

Signed by all members of the Committee.

SCRep. 714 Finance on H.B. No. 187

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

This program would require eligible recipients to have:

- (1) At least six months of service;
- (2) Exhausted all vacation leave, sick leave, and compensatory time credits;
- (3) An illness or injury certified by a physician as requiring more leave time because of the recipient's inability to work; and
- (4) No disciplinary record for sick leave abuse within two years.

Testimony in support of this bill was submitted by the Department of Personnel Services, the City and County of Honolulu, the Hawaii State Commission on the Status of Women, and a concerned citizen.

The Hawaii Government Employees Association submitted testimony supporting the intent of the measure, but stated that the adoption of rules and procedures relative to this issue are subject to consultation with the union, in accordance with the appropriate collective bargaining agreements.

The Hawaii State Teachers Association submitted testimony supporting the bill as originally introduced, which would allow public school employees to participate in the envisioned leave sharing program, and opposing the measure in its present form because it precludes public school employees' participation.

Your Committee has amended this bill by:

- (1) Adding a one year sunset provision; and
- (2) Making a technical, nonsubstantive change to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 187, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 187, H.D. 2.

Signed by all members of the Committee.

SCRep. 715 Finance on H.B. No. 300

The purpose of this bill is to preserve low-income housing projects financed by the United States Department of Housing and Urban Development by authorizing the Housing Finance and Development Corporation (HFDC) to issue bonds for the purchase of these projects.

Among other things, this bill also:

- (1) Allows, under certain conditions, the transfer of title to these projects to nonprofit organizations (such as community-based nonprofit organizations and resident councils), as well as to the Hawaii Housing Authority (HHA); and
- (2) Directs the HFDC to give priority to nonprofit organizations over the HHA when transferring such title.

The HFDC and HHA generally supported this bill with suggested amendments.

Your Committee has amended this bill by:

- (1) Deleting the duplicative language regarding transfer of title to a nonprofit organization or the HHA; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 300, H.D. 2.

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

SCRep. 716 Finance on H.B. No. 1675

The purpose of this bill is to extend the deadline for the Department of Land and Natural Resources (DLNR) to issue long-term agricultural leases to certain qualified permittees of state agricultural lands from July 1, 1993, to July 1, 1994.

Testimony in support of this bill was submitted by the DLNR and a group of individuals holding revocable permits on State lands in Waimanalo, Oahu.

Your Committee has amended this bill by:

- (1) Further extending the deadline to July 1, 1995; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1675, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1675, H.D. 1.

Signed by all members of the Committee.

SCRep. 717 Finance on H.B. No. 1737

The purpose of this bill is to:

- (1) Permit the temporary suspension of certain eligibility requirements for extended unemployment benefits in accordance with recent changes to federal law; and
- (2) Provide that training for dislocated workers under the federal Job Training Partnership Act (except on-the-job training) may be considered as State-approved training.

Testimony in support of this bill was submitted by the Department of Labor and Industrial Relations (DLIR).

It is your Committee's understanding that while the temporary suspension of extended unemployment benefit requirements is scheduled to end on December 31, 1994, Congress is currently considering proposals to extend the suspension for an indefinite period. As a result, the DLIR recommended that this measure be amended to accommodate future Congressional mandates with respect to the waiver of extended benefits.

Accordingly, your Committee has amended this measure based on the DLIR's recommendation. In addition, other technical, nonsubstantive amendments have been made to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1737, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1737, H.D. 2.

Signed by all members of the Committee.

SCRep. 718 Finance on H.B. No. 1861

The purpose of this bill is to specify that all fees and charges assessed and collected by the Department of Education (DOE) for the public use of school facilities shall be turned over to the schools to cover expenses, such as repair and maintenance costs, and overtime pay for custodial staff, which were incurred as a result of this public use.

The DOE, testifying in opposition to the bill, supported the current law which provides for expenditure of the foregoing fees and charges according to rules adopted by the Board of Education (BOE). Current BOE rules provide for the equitable allocation of funds for repair and maintenance of school facilities, and replacement of supplies and equipment.

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

- (1) Specifying that fifty percent of the fees and charges assessed and collected for the public and community use of a school shall revert to that particular school to cover expenses incurred by the public and community use; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1861, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1861, H.D. 1.

Signed by all members of the Committee.

SCRep. 719 Finance on H.B. No. 1739

The purposes of this bill are to establish:

- (1) The Fee for Enhanced Service 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 Service Special Fund" into which moneys collected from the program shall be deposited.

It is the intent of your Committee that in determining the schedule of fees of the Program, the State Librarian and the Board of Education make every effort to minimize the financial impact of the fees on students.

The State Librarian, the head librarian of Koloa Public and School Library, and the librarian of Lihue Public Library testified in support of this bill. The President of the Librarians Association of Hawaii and a concerned citizen expressed their reservations.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1739, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1739, H.D. 2.

Signed by all members of the Committee.
(Representatives Alcon and Ward voted no.)

SCRep. 720 Finance on H.B. No. 720

The purposes of this bill are to:

- (1) Appropriate funds to study the State's current status offender system and the status offender systems of other states, to develop recommendations on how our State can improve its handling of status offenders; and
- (2) Establish and appropriate funds for four additional positions in the Department of the Attorney General, including two attorneys, one paralegal, and one legal stenographer, to prosecute status offenders who require a court hearing.

Testimony in support of this measure was submitted by the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu. The Department of the Attorney General also submitted comments on this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 925, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 925, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 721 Finance on H.B. No. 1899

The purposes of this bill are to:

- (1) Include hepatitis B, rubella, and haemophilus influenza type B in the Department of Health's list of communicable diseases which may require immunization;
- (2) Allow the Department of Health to provide immunizing agents to private and public health care providers for administration to the general public; and
- (3) Allow responsible adults, who are identified on school or day care records, to provide immunization consent, if immunization consent from the parent or guardian is unobtainable.

Testimony in support of this bill was submitted by the Department of Health and the Governor's Office of Children and Youth.

Your Committee has amended this bill by:

- (1) Allowing the caregiver with whom the child lives to cause the immunization of the child if consent of the parent or guardian is unobtainable, instead of the responsible adult who is identified on school or day care records; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1899, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 722 Finance on H.B. No. 1992

The purpose of this bill is to facilitate the convening of a Hawaiian Congress to develop an organic document relating to self-determination and self-governance.

This bill provides for:

- (1) A referendum election on May 2, 1994, on whether there should be a Hawaiian Constitutional Convention to propose a constitution for the governance of a Hawaiian sovereign nation;
- (2) A special election on September 17, 1994, to select Hawaiian delegates to the Constitutional Convention; provided that the ballots cast on the referendum question are in the affirmative;
- (3) The convening of the Constitutional Convention beginning October 1, 1994, and ending no later than January 1, 1995;
- (4) A ratification election no later than March 1, 1995, on the organic document; and
- (5) Appropriations to carry out these activities.

The Office of Hawaiian Affairs and the Department of Hawaiian Home Lands testified in support of this bill. The following opposed this measure: Ka Lahui Hawaii; the Oahu caucus of Ka Lahui Hawaii; Kuikalahiki (Hawaiian Student Organization); the Pro-Hawaiian Sovereignty Working Group; Hou Hawaiians; and six interested individuals. The Legislative Reference Bureau and the Office of State Planning also submitted testimony.

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

Your Committee requests the Attorney General to issue an opinion on what amendments should be made to Section 7 of this bill (relating to the definition of constitutional convention districts) to make it conform to the "one-person, one-vote" requirements.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1992, H.D. 2.

Signed by all members of the Committee.

SCRep. 723 Finance on H.B. No. 2014

The purposes of this bill are to:

- (1) Appropriate funds and provide additional means to remedy past wrongful, improper, or unauthorized withdrawals, transfers, takings, or uses of Hawaiian home lands by continuing the claims resolution process;
- (2) Authorize the State to pursue claims against the federal government; and
- (3) Authorize the State to initiate land exchanges to resolve wrongful transfers and grants of Hawaiian home lands to non-governmental entities.

The Department of Hawaiian Home Lands (DHHL), the Office of Hawaiian Affairs, the Office of State Planning, a group of three attorneys, and an interested individual submitted testimony on this bill.

Your Committee has amended this bill by:

- (1) Deleting the \$1,210,000 appropriation for the design of the replacement to Nanaikapono Elementary School;
- (2) Deleting the \$1,281,379 appropriation to pay rent owed to DHHL for the use of lands that are currently the site of Nanaikapono Elementary School; and
- (3) Correcting certain typographic, technical, and stylistic errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2014, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2014, H.D. 2.

Signed by all members of the Committee.

SCRep. 724 Finance 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.

This bill allows the Department of Health (DOH) 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.

Testimony in strong support of this bill was submitted by the DOH. In its testimony, the DOH stated that autonomy is a proven means of improving management of the community hospitals, especially in the area of purchasing and personnel management. Exemptions from State competitive bidding requirements have enabled the hospitals to acquire needed medical equipment more expediently, reduce administrative overhead costs, and improve patient care.

This bill has been amended by making technical, nonsubstantive amendments to correct drafting errors and for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2032, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2032, H.D. 1.

Signed by all members of the Committee except Representative Santiago.

SCRep. 725 Finance on H.B. No. 1885

The purpose of this bill is to enable the Department of Commerce and Consumer Affairs (DCCA) to conduct its administrative functions more efficiently and effectively.

Among other things, this bill would:

- (1) Permit the DCCA to achieve a degree of self-sufficiency by allowing the department to use the fees and charges it assesses to support the department's operations;
- (2) Allow the DCCA to appoint exempt program specialists;
- (3) Allow the department to appoint advisory committees to assist the boards and commission that are administratively attached to the department; and
- (4) Permit the DCCA to change license renewal dates to more efficiently process license renewals.

In supporting this measure, the Department testified that this bill provides a reasonable and fair method of permitting the DCCA to use revenues and fees paid for regulatory compliance to sustain the overhead costs of the Department.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1885, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1885, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 726 Finance on H.B. No. 2098

The purpose of this bill is to appropriate funds to educate the general public, as well as public school students, about Hawaiian sovereignty.

Testimony in support of this bill was submitted by the Department of Hawaiian Home Lands, the State Council of Hawaiian Homestead Associations, Hui Na'auao, and a concerned citizen.

The Pro-Hawaiian Sovereignty Working Group, No Koa Ikaika, and an Aiea High School teacher submitted testimony supporting the basic principle of the bill, but expressing concerns regarding the mechanics involved in the actual implementation of the envisioned educational program.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2098, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2098, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 727 Finance on H.B. No. 1563

The purpose of this bill is to explore and study cost-effective ways of improving the State's water quality monitoring system by establishing a pilot water quality surveying and sampling program utilizing volunteers. The target area of the proposed pilot program is the Kailua and Waimanalo Bay areas on Oahu.

The following agencies and organizations supported this bill: the Soil Conservation Service of the U.S. Department of Agriculture; the Hawaii Association of Conservation Districts; the Sierra Club, Hawaii Chapter; Hawaii's Thousand Friends; Save Our Bays and Beaches; the Enchanted Lake Residents Association; and the Kukilakila Community Association. Six interested citizens also testified in support of this measure. Although the Department of Health supported the concept of the bill, it was unable to support the additional funding, given the limited fiscal resources available to the State.

The UH Environmental Center submitted comments emphasizing the importance of judicious management and proper training with regard to volunteers to ensure that procedures and techniques are followed meticulously.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1563, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1563, H.D. 2.

Signed by all members of the Committees except Representatives Santiago and Tam.

SCRep. 728 Finance on H.B. No. 874

The purpose of this bill is to support the development of alternatives to conventional internal combustion engine-powered vehicles by:

- (1) Extending from June 30, 1992, to June 30, 1994, the authorization to issue special purpose revenue bonds to Elexs Ltd. for the manufacture of electric vehicles and related products in Hawaii; and
- (2) Broadening the description of the recipient corporation to include "its successor corporation", thereby providing Elexs Ltd. with the flexibility to reorganize its company, if necessary, in order make it easier to solicit private and federal customers and grants.

Elexs Ltd. and the Electric Vehicle Association of Hawaii both testified in support of this bill.

Your Committee has amended this bill by:

- (1) Extending the authorization period to issue special purpose revenue bonds to June 30, 1995; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 874, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 874, H.D. 2.

Signed by all members of the Committee.

SCRep. 729 Finance on H.B. No. 525

The purpose of this bill is to reduce the role of nonpoint source pollution as a major contributor to stream and ocean water pollution by creating the Nonpoint Source Pollution Management and Control Program within the Department of Health (DOH).

Currently, the DOH administers a voluntary nonpoint source pollution program that is entirely funded by federal grants. Passage of this bill would serve as the foundation for the gradual development of a State nonpoint source control program. Moreover, it would allow the State to meet the Coastal Zone Management Act's requirement that all states have a regulatory nonpoint source pollution program in place by July 1, 1995, or face the loss of federal funding.

Your Committee received testimony supporting the intent of this bill from the Department of Health, the University of Hawaii's Water Resources Research Center and College of Tropical Agriculture and Human Resources, the United States Department of Agriculture's Soil Conservation Service, the Hawaii Chapter of the Soil and Water Conservation Society of America, the City and County of Honolulu's Department of Public Works, the Natural Resources Defense Council, Save Our Bays and Beaches, and the Koolau Agricultural Company.

Your Committee has amended this bill by:

- (1) Increasing the appropriation to finance the Nonpoint Source Pollution Management and Control Program from \$1 to \$120,000; and
- (2) Correcting typographic, technical, and stylistic errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 525, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 525, H.D. 2.

Signed by all members of the Committee.

SCRep. 730 Finance on H.B. No. 241

The purpose of this bill is to create a special fund to develop respite care services for persons operating Adult Residential Care Homes (ARCH).

The United Group of Home Operators and an ARCH operator testified in strong support of the measure. Your Committee also received testimony in support of the intent of the bill from the Kokua Council for Senior Citizens.

Although recognizing the great sacrifices made by ARCH providers as well as their invaluable contribution to the State's health care system, the Department of Health testified that the Department could not support the measure for several reasons, including the difficult financial situation of the State.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 241, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 241, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 731 Finance on H.B. No. 1942

The purpose of this bill is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Electric Car Hawaii, Inc., in the development of an electric vehicle conversion and assembly plant.

The Electric Vehicle Association of Hawaii testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1942, H.D. 1.

Signed by all members of the Committee.
(Representative Alcon voted no.)

SCRep. 732 Finance 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.

This bill, among other things:

- (1) Extends until August 31, 1995, the deadline for filing Chapter 674 claims;
- (2) Extends until December 30, 1997, the terms of office of Hawaiian Home Lands Individual Claims Review Panel (Panel) members;
- (3) Extends until October 1, 1997, the deadline for filing written notice rejecting legislative action on a claim;
- (4) Provides that no action for judicial relief shall be filed prior to October 2, 1997;
- (5) Extends until September 30, 1999, the statute of limitations for commencing actions for Chapter 674 judicial relief;
- (6) Requires the panel to include investigative reports in claims records, and protects the confidentiality of such reports until completion of the claims hearing, except as may be provided under Chapter 92F, Hawaii Revised Statutes, and except, upon the panel's discretion, for disclosure to the parties;
- (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.

The 1991 Legislature created the panel to hear claims by individual beneficiaries of the Hawaiian Home Lands Trust who have suffered actual damages as a result of a breach of trust. The breach must have occurred between Statehood and June 30, 1988, and have been caused by an act or omission of a State employee in the management and disposition of trust resources.

The panel, the Department of Hawaiian Home Lands, and the Office of Hawaiian Affairs testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2010, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2010, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 733 Finance on H.B. No. 2022

The purpose of this bill is to transfer the administration of:

- (1) The Homeless Families Assistance Act; and
- (2) Homeless shelter stipends;

from the Department of Human Services to the Hawaii Housing Authority. This bill also makes technical changes to clarify and strengthen homeless programs.

In supporting this bill, the Hawaii Housing Authority testified that it is already administering both the Homeless Families Assistance Act as well as the homeless shelter stipends. Therefore, this bill amends the law to reflect this change. An interested citizen also submitted supporting testimony.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2022, H.D. 1.

Signed by all members of the Committee except Representative Santiago.

SCRep. 734 Finance on H.B. No. 653

The purpose of this bill is to authorize the issuance of \$25,000,000 in special purpose revenue bonds to assist the Sand Island Business Association in upgrading the infrastructure of the Sand Island Industrial Park.

In supporting this bill, the Sand Island Business Association pointed out that it has obtained a 55-year master lease as well as a \$20,000,000 construction loan. If this bill passes, it intends to use the revenues obtained from the issuance of the special purpose revenue bonds to refinance the construction loan. Your Committee also received testimony from a concerned citizen in opposition to this bill.

Your Committee has amended this bill by:

- (1) Reducing the amount of the bond authorization from \$25,000,000 to \$5,000,000; and
- (2) Correcting certain typographic, technical, and stylistic errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 653, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 653, H.D. 1.

Signed by all members of the Committee.

SCRep. 735 Finance on H.B. No. 2024

The purpose of this bill is to eliminate the Board of Vocational Rehabilitation and, in its place, to establish advisory councils required by the Federal Rehabilitation Act Amendments of 1992.

Specifically, the Department of Human Services (Department) will be required to establish a new State Advisory Council on Rehabilitation and a new Statewide Council on Independent Living with membership requirements statutorily specified.

The State Advisory Council on Rehabilitation and the Statewide Council on Independent Living would each consist of nineteen members to be appointed by the Governor. Both would assist the Department on the selection, delivery, and review of services provided for disabled individuals. The advisory councils will have separate yet interlocking representative members to ensure a coordinated and comprehensive approach.

The Department of Human Services, the State Planning Council on Developmental Disabilities, and the State Commission on Persons with Disabilities submitted testimony in support of this measure.

The measure has been amended by making technical, nonsubstantive revisions throughout the bill for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2024, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2024, H.D. 1.

Signed by all members of the Committee.

SCRep. 736 Finance on H.B. No. 1213

The purpose of this bill is to establish an independent, new institution of higher learning at Hilo to be known as "Hawaii State University", which will incorporate the campus, staff, and administration of the University of Hawaii-Hilo (UHH).

The Office of the Mayor of Hawaii County, the Hawaii County Council, the Hui Aloha Chapter of the American Association of Retired Persons, the Hawaii County Economic Opportunity Council, the Hawaii Island Retired Teachers Association, the Japanese Chamber of Commerce and Industry of Hawaii, Hawaii Island Board of Realtors, Ono Pac Corporation, Fair Contracting Company, Hawaii Island Contractors' Association, and numerous concerned individuals testified in strong support of this bill. Many of the testifiers stated that the establishment of a separate state university in Hawaii will promote quality undergraduate education and provide a major affordable alternative for higher education to resident and nonresident students. Others also testified that the Hawaii State University will support economic development of the County of Hawaii.

Noting the similarities between community support for the establishment of Hawaii State University and UHH, the Chairperson of the Committee on Finance and Intergovernmental Relations of the Hawaii County Council explained that the UHH was, also, a community-driven institution and that in 1969 the Board of Regents opposed the creation of a separate University of Hawaii for Hilo but reversed its decision after an overwhelming display of community support.

However, testimony opposing this measure was submitted by the University of Hawaii. The University of Hawaii Professional Assembly and UHH Student Association also testified against this bill.

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

- (1) Authorizing Hawaii State University to purchase appliances and equipment;
- (2) Clarifying that Hawaii State University is attached to the University of Hawaii for administrative purposes only;
- (3) Requiring that all personnel, including faculty, be paid the salaries that are paid for comparable positions as the University of Hawaii;
- (4) Mandating that for ten years, the average expenditure per student at Hawaii State University shall not be less than what is expended per student at the University of Hawaii;
- (5) Requiring that the necessary infrastructure is in place before any expansion of campus facilities takes place;
- (6) Deleting the appropriation section from the bill; and
- (7) Making technical, nonsubstantive amendments to correct drafting errors and for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1213, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1213, H.D. 2.

Signed by all members of the Committee except Representatives Chang and Ward.
(Representative Marumoto voted no.)

SCRep. 737 Finance on H.B. No. 1741

The purpose of this bill is to provide State agencies with the ability to hire professional, scientific, and managerial employees at starting salary rates above the normal entry level for State civil service by:

- (1) Permitting the agency director in charge of personnel to announce vacancies at a range of salary rates rather than at the first step of the appropriate salary range;
- (2) Specifying that the top of the announced range shall not be higher than the midpoint of the salary range for the job; and
- (3) Allowing the appointing authority to consider education and experience in excess of the minimum qualification requirements when determining an initial salary offer.

Testimony in support of this bill was submitted by the Department of Personnel Services. However, the Department noted that because the measure will be repealed in 1996, there may not be enough time to fully test the program and to realize its benefits. The Department of Personnel of the City and County of Honolulu submitted testimony in opposition.

It is the intent of your Committee to have State agencies recruit professionals who are Hawaii residents before seeking candidates outside of the State.

This bill has been amended so that Section 77-9, Hawaii Revised Statutes, will be reenacted in its original form when this bill is repealed on July 1, 1996.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1741, H.D. 2.

Signed by all members of the Committee.
(Representative Marumoto voted no.)

SCRep. 738 Finance on H.B. No. 1765

The purpose of this bill is to encourage people of Hawaiian ancestry to pursue higher education, especially those who enter the fields of education or the Hawaiian language.

More specifically, this measure would:

- (1) Provide 500 additional tuition waivers at the University of Hawaii for Native Hawaiians and Hawaiians, with priority given to students enrolled in Hawaiian language courses or programs, and students pursuing degrees in education; and
- (2) Authorize the Board of Regents of the University of Hawaii to waive entirely or reduce the tuition fee or other fees for Native Hawaiians and Hawaiians who request a tuition waiver and meet academic requirements.

In supporting this bill, the University of Hawaii (University) testified that this measure is consistent with the University's Master Plan adopted by the Board of Regents in January 1991, and that the University supports efforts to increase the proportion of Hawaiians in various under-represented academic and vocational areas, including the teaching profession.

Your Committee also received favorable testimony from the Office of Hawaiian Affairs.

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

- (1) Reducing the number of tuition waivers from 500 to 10;
- (2) Deleting the definition and references to "Native Hawaiian" since the definition of "Hawaiian" in the bill is sufficient and inclusive;
- (3) Specifying that priority on the issuance of tuition waivers also be given to financially needy Hawaiian students and Hawaiian students participating in University recruitment and support programs;
- (4) Deleting a provision that allowed the Board of Regents to waive tuition and other fees for Native Hawaiians and Hawaiians who request a tuition waiver and meet minimum academic requirements; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1765, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1765, H.D. 2.

Signed by all members of the Committees except Representatives Chang and Ward.

SCRep. 739 Finance on H.B. No. 1703

The purposes of this bill are to:

- (1) Change the eligibility requirements of the State Higher Education Loan Fund (Fund) to allow half-time students to be eligible for student loan assistance; and
- (2) Specify that the aggregate loan amounts, which students may receive from the Fund, shall be equivalent to the amounts established for the federal Perkins Loan Program authorized under Title IV, Part E, of the Higher Education Act of 1965, as amended.

The University of Hawaii (UH), testifying in support of the bill, stated that expansion of the eligibility requirements to include half-time students would help meet the needs of nontraditional students who are not able to attend college on a full-time basis. The UH also emphasized that since its creation, the Fund was intended to have the same eligibility

criteria, lending limits, and repayment provisions as the federal Perkins Loan Program. The proposed bill would free the UH of the necessity of amending the law each time the federal government alters its lending criteria.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1703, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1703, H.D. 1.

Signed by all members of the Committees except Representatives Chang and Ward.

SCRep. 740 Finance on H.B. No. 2027

The purpose of this bill is to create a special fund in the Department of Health (Department) to:

- (1) Improve public outreach efforts;
- (2) Educate the public and staff; and
- (3) Provide training opportunities to ensure the maintenance of professional competency of the staff in the Department's Environmental Health Services Division.

Fees collected from permit, certificate, licensing, inspection, investigation, and review activities under Sections 321-11.5, 321-15, 342F-14, 466J-4, and 466J-5, Hawaii Revised Statutes, will be deposited into the new fund.

Testimony in strong support of the bill was received from the Department of Health.

Your Committee has amended the bill by:

- (1) Adding a two-year sunset provision; and
- (2) Making other technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2027, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2027, H.D. 1.

Signed by all members of the Committee.

SCRep. 741 Finance on H.B. No. 1363

The purposes of this bill are to:

- (1) Establish a family practice residency program at the University of Hawaii (UH) School of Medicine;
- (2) Establish a two-year demonstration project to provide training for health care graduates and students; and
- (3) Establish a family practice ambulatory health center at the "old" Hilo Hospital site.

Testimony in support of this measure was submitted by the Hawaii Medical Association; the Hawaii Academy of Family Physicians; Ke Ola O Hawai'i, Inc.; the Hawaii County Medical Society; the Hawaii Island Chamber of Commerce; Wahiawa General Hospital; and six physicians.

Wahiawa General Hospital (Hospital) testified that it has already affiliated itself with the UH School of Medicine to be a teaching hospital for family practice residents. Passage of this bill would greatly enhance the Hospital's potential for receiving charitable support for this residency program. For every dollar of state support, the Hospital anticipates that another two dollars of charitable gifts will be made.

Both the Department of Health and the UH supported the intent of the bill, but due to the current fiscal situation, could not support any additional appropriations.

It is the intent of your Committee that the proposed family practice residency program focus on medically underserved areas and not be limited to the Hilo region of the Big Island.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1363, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1363, H.D. 2.

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

SCRep. 742 Finance on H.B. No. 2012

The purpose of this bill is to require the Department of Education to establish and maintain the price of the school lunch at one-third the cost of preparing the lunch, rounded to the nearest 25 cents.

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

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2012, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2012, H.D. 2.

Signed by all members of the Committee.
(Representative Alcon voted no.)

SCRep. 743 Finance on H.B. No. 759

The purpose of this bill is to provide a one-time early retirement incentive for state and county government employees who retire between September 1, 1993 to August 30, 1994.

Specifically, this bill would provide a bonus of three years additional service credit to retiring:

- (1) Class A or B contributory plan members with at least 25 years of service regardless of age; or
- (2) Class C noncontributory plan members with at least 30 years of service regardless of age.

Testimony in support of this bill was submitted by the University of Hawaii; the University of Hawaii Professional Assembly; the Hawaii State Fire Fighters Association; and private citizens. The Hawaii Government Employees Association and the Department of Personnel of the City and County of Honolulu submitted testimony in opposition of the bill. Your Committee also received testimony from the Department of Budget and Finance as well as the Department of Education.

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

- (1) Requiring that an eligible employee continue to make contributions to the Hawaii Public Employees Health Fund after retirement;
- (2) Mandating that the department shall abolish the position vacated by the retirement of the eligible employee;
- (3) Requiring that the Legislative Auditor review and evaluate the early retirement bonus plan; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 759, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 759, H.D. 2.

Signed by all members of the Committee.

SCRep. 744 Finance on H.B. No. 1120

The purpose of this bill is to authorize the Governor, or a designee, to cooperate, co-sign, or participate in any federal disaster relief program, including loans to the political subdivisions of the State that requires the State's cooperation, co-signature, or participation as a precondition to disbursing funds to any qualified political subdivision of the State.

The Department of Defense, the Office of the Mayor of Kauai, and the Kauai County Council all testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1120, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1120, H.D. 2.

Signed by all members of the Committee.

SCRep. 745 Finance on H.B. No. 1828

The purpose of this bill is to authorize the development of a convention center facility at one of three sites, including the "Fort DeRussy" site, the "Ala Wai Gateway" site, or the "former Aloha Motors" site.

Testimony in support of this measure was submitted by the Convention Center Authority, the Hawaii Hotel Association, the Waikiki Improvement Association, the Hawaii Convention Park Council, the Myers Corporation, and the Sukanto Holding Corporation. Comments were also submitted by the Queen Emma Foundation, Neighbors of the Ala-Wai, the Waikiki Tenants United, and private citizens.

Upon consideration, your Committee has amended this bill by:

- (1) Eliminating the "Fort DeRussy" site as a possible convention center cite;
- (2) Extending the date in which the developer's plan for the convention center facility must be approved by the Convention Center Authority to June 30, 1998;
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1828, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1828, H.D. 2.

Signed by all members of the Committee.

SCRep. 746 Finance on H.B. No. 1888

The purpose of this bill is to enable the Consumer Advocate to better represent, protect, and advance the interests of all of Hawaii's customers of utility and transportation services.

This bill seeks to provide the Consumer Advocate with a flexible funding mechanism by:

- (1) Allowing it to assess a utility or transportation company for expenses incurred as a result of any review, investigation, or proceeding involving that company; and
- (2) Establishing the Consumer Advocacy Fund.

In supporting this bill, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs testified that at least one-half of the states have some type of user funding for their Consumer Advocate offices. The Public Utilities Commission (PUC) was concerned that the requirement for it to review the Consumer Advocate's proposed expenditures may compromise the Consumer Advocate's independence, since the Consumer Advocate is generally an adversary party in any PUC proceeding. GTE Hawaiian Telephone Company Inc., the Hawaii Transportation Association, and Hawaiian Electric Company, Inc. opposed the bill.

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

- (1) Requiring the PUC to obtain the concurrence of the Legislative Auditor prior to acting on the Consumer Advocate's written statement for expenditures;
- (2) Describing the role of the Legislative Auditor in reviewing the Consumer Advocate's written statement; and
- (3) Correcting typographic, technical, and stylistic errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1888, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1888, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 747 Finance on H.B. No. 150

The purpose of this bill is to modify the campaign spending laws to encourage citizen participation in the electoral process.

Among other things, this bill:

- (1) Requires that any loan to a candidate greater than \$2,000 be documented and disclosed, and clarifies the definition of a loan;
- (2) Transfers duties relating to reports on election campaign contributions and expenditures from the Lieutenant Governor to the Campaign Spending Commission;
- (3) Prohibits a candidate, campaign treasurer, or committee from purchasing from its campaign fund more than two tickets for each event held by another candidate instead of for each fund-raiser;
- (4) Repeals the limit of one fund-raiser per election for each candidate;
- (5) Requires any contribution from a person exceeding \$2,000 be deposited with the Hawaii election campaign fund no later than six months after its receipt, rather than be returned to the contributor;

- (6) Increases from \$500 to \$2,000 the level of aggregate contributions or expenditures for which a candidate may file a short-form report for a reporting period;
- (7) Repeals the requirement that all proceedings regarding complaints of campaign finance contributions shall be confidential until a determination of probable cause has been made; and
- (8) Increases the amount of political contributions that any taxpayer and any individual taxpayer is allowed as a deduction in computing taxable income.

The League of Women Voters and Common Cause Hawaii generally supported this bill. The Department of Taxation also commented on this measure, while the Campaign Spending Commission had no official position.

Your Committee has amended this bill by:

- (1) Increasing the maximum public funds made available to those running for an office (other than the Governor, Lieutenant Governor, or Mayor) from \$500 to \$1,000;
- (2) Requiring that the income tax amendments be made effective for taxable years beginning after December 31, 1993; and
- (3) Correcting technical, drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 150, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 150, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 748 Finance on H.B. No. 2034

The purpose of this bill is to implement statutory exemptions that were identified during the Autonomy Pilot Program as impediments to the autonomous operation of community hospitals.

Among other things, this bill:

- (1) Allows the Division of Community Hospitals (Division) to transfer special or general fund appropriations among programs administered by the Division and to report the transfer to the Governor and the Legislature;
- (2) Authorizes the Comptroller to permit public and private health cooperatives to make purchases from the price lists of the Department of Accounting and General Services;
- (3) Establishes a Collection Revolving Fund at Hilo Hospital, Kona Hospital, and Maui Memorial Hospital, to expedite the collection of patient bills and the refunding of credit balances;
- (4) Allows Hilo, Kona, and Maui Memorial hospitals to employ or retain attorneys for litigation related purposes;
- (5) Allows the Director of Health to classify, set compensation, recruit for, and fill positions relating to personnel recruitment and retention for the Division;
- (6) Allows public health facilities that do not receive general fund augmentation to retain up to seventy-five percent of the unrequired special fund revenues;
- (7) Allows the Director of Health to purchase data processing and telecommunications equipment, and data processing consulting services, for Maui Memorial Hospital, Hilo Hospital, and Kona Hospital without the approval of the Director of Finance, so long as the purchase does not exceed \$50,000; and
- (8) Requires the Director of Health, with the Governor's approval, to establish no more than twelve personnel classes of health care specialties for civil service positions assigned to Hilo, Kona, and Maui Memorial hospitals.

Testimony in strong support of this bill was submitted by the DOH. In its testimony, the DOH indicated that this bill provides a series of targeted solutions to meet specific management needs at the community hospitals, and that the combined effect of these exemptions will improve administrative efficiency, reduce unnecessary bureaucracy, and reduce cost.

This bill has been amended by making extensive technical, nonsubstantive amendments to correct drafting errors and for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2034, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2034, H.D. 2.

Signed by all members of the Committees except Representatives Kanoho and Santiago.

SCRep. 749 Finance on H.B. No. 1202

The purposes of this bill are to:

- (1) Establish a temporary special fund called the "Convention Center Capital Special Fund" for the deposit of a portion of the general excise taxes realized through the operation of transient accommodations as well as any excess revenues from the transient accommodations tax (TAT) that cannot be distributed to the counties; and
- (2) Repeal the Convention Center Development Revolving Fund and establish the Convention Center Operations Revolving Fund for the deposit of revenues from convention center operations, revenues derived from parking lot operations and other convention center concessions, and all funding appropriated by the Legislature.

A number of convention organizers from across the Nation have expressed concerns about the lack of adequate facilities in the State to accommodate convention-related participants, plenary sessions and workshops, and product displays in an effective and efficient manner. Because of the lack of adequate facilities, prominent mainland conventions will bypass Hawaii. The loss of the convention-related business to other destinations will have long-lasting and far-reaching impacts on the State, since Hawaii's economy is heavily dependent on the tourist trade generated by conventions.

Given the need for a convention center, but recognizing the fiscal constraints of the State budget, your Committee has been compelled to explore and examine a variety of different alternatives that would induce revenues to help finance the construction of the convention center. The passage of this measure is one solution, but your Committee will continue to look for other viable remedies.

Testimony in support of the bill was submitted by the Hawaii Convention Park Council, the Hawaii Hotel Association, the Chamber of Commerce of Hawaii, and a private citizen. The Convention Center Authority was in general support of the bill but took no position with regard to the method of funding. The Tax Foundation of Hawaii also submitted comments on the bill.

Opposing testimony was submitted by the Department of Taxation, the Department of Budget of the City and County of Honolulu, and the City Council of the City and County of Honolulu.

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

- (1) Deleting the Fort DeRussy site as a possible convention center site;
- (2) Mandating that 20 percent of the TAT collections shall be deposited to the credit of the Convention Center Capital Special Fund; provided that the amount does not exceed the amount retained by the State for fiscal year 1991-1992; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1202, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1202, H.D. 2.

Signed by all members of the Committee.

SCRep. 750 Finance on H.B. No. 1445

The purpose of this bill is to establish the Drug Abuse Treatment and Prevention Special Fund (Fund), within the Department of Health, and provide for the deposit of thirty percent of the proceeds from the sale of forfeited property to be deposited into the Fund.

The bill also levies a fine of \$50 for certain criminal offenses for deposit into the Fund.

Your Committee received testimony in favor of the intent of the bill from the Department of Health and the State Advisory Council on Mental Health and Substance Abuse.

Testimony was also received from the Department of Attorney General and the Office of the Prosecuting Attorney of the City and County of Honolulu. While both of these offices favored the provision of the bill imposing fines on certain criminal offenses for deposit into the Fund, they were opposed to diverting any proceeds obtained from the sale of forfeited property from law enforcement efforts to prevention and treatment efforts.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1445, H.D. 1, as amended herein, and recommends that it be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 1445, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 751 Finance on H.B. No. 1119

The purpose of this bill is to conform Hawaii's law relating to the expenditure of public money and public contracts with the Americans with Disabilities Act Accessibility Guidelines. This measure would also increase the number of members of the Architectural Access Committee to five members.

Testimony in support of this bill was submitted by the Commission on Persons with Disabilities, the Architectural Access Committee, and the Hawaii Centers for Independent Living.

Your Committee has amended this measure by:

- (1) Changing the effective date so that the increase in the membership of the Architectural Access Committee would take effect on July 1, 1993;
- (2) Appropriating the sums of \$103,000 for fiscal year 1993-1994, and \$94,000 for fiscal year 1994-1995 to effectuate the purposes of the bill; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1119, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1119, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Kanoho and Tajiri.

SCRep. 752 Finance on H.B. No. 1029

The purpose of this bill is to establish a Pest Control Education Fund (Fund) into which shall be deposited an education fee assessed upon pest control operators upon application for and renewal of licenses.

The moneys in the Fund will be expended on educational programs for the pest control industry and the public.

Testimony supporting the intent of this bill was submitted by the Pest Control Board and the Hawaii Pest Control Association.

Upon further consideration, your Committee amended this bill by:

- (1) Clarifying that the education fee shall be assessed after June 30, 1994; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity and style, and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1029, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1029, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Kanoho, Tajiri and Tam.

SCRep. 753 Finance on H.B. No. 173

The purpose of this bill is to establish a comprehensive process for the regulation of interisland air carriers to the extent permissible under the U.S. Constitution and the laws of the United States.

Among other things, this bill:

- (1) Establishes an Air Carrier Commission, to be placed with the Department of Transportation for administrative purposes, to assist in the regulation of interisland air carriers; and
- (2) Requires the Legislative Reference Bureau to study the need for a consumer advocate to represent, protect, and advance the interests of all consumers before the Commission.

Your Committee received testimony supporting the intent of this bill from the Department of Transportation, Hawaiian Airlines, Aloha Airlines, the Hawaii State Council of Machinists and Aerospace Workers, the Kauai County Council, and concerned citizens. The Air Transport Association and American Airlines expressed opposition to this measure.

Upon further consideration, your Committee amended this bill by:

- (1) Changing the manner in which members are appointed to the Commission;
- (2) Amending the terms of the members;
- (3) Providing that certificates issued pursuant to this bill be assessed registration fees and subsequent annual fees to be deposited into the state general fund;

- (4) Providing that this measure take effect upon approval and is repealed on June 30, 1999; and
- (5) Making numerous technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 173, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 173, H.D. 3.

Signed by all members of the Committee.
(Representative Ward voted no.)

SCRep. 754 Finance on H.B. No. 1170

The purpose of this bill is to, among other things:

- (1) Establish tenant trust accounts into which shall be deposited all tenant security deposits received pursuant to Section 521-44, Hawaii Revised Statutes; and
- (2) Require the remittance of all interest and dividends earned on the average monthly balance of a tenant trust account, less reasonable service fees, to the Rental Housing Trust Fund established by Chapter 201F, Hawaii Revised Statutes.

The Rental Housing Trust Fund was created to address the acute shortage of safe, decent, and affordable rental housing in Hawaii by providing loans and grants to encourage rental housing development. This bill provides a continuous source of funding for the Rental Housing Trust Fund through the establishment of a tenant trust account mechanism modelled after the Interest on Lawyer's Trust Accounts (IOLTA) program. The IOLTA program requires the interest on lawyers' trust accounts to be paid to the Hawaii Bar Association.

Your Committee received testimony in support of the measure from the Rental Housing Trust Fund Interim Commission and Catholic Services to the Elderly. Opposing testimony was submitted by the Hawaii Developers' Council and the Hawaii Association of Realtors.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1170, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1170, H.D. 2.

Signed by all members of the Committee except Representatives Santiago and Tajiri.
(Representatives Chang, Morihara, Suzuki, Marumoto and Ward voted no.)

SCRep. 755 Finance on H.B. No. 1500

The purpose of this bill is to allow native Hawaiians to contract with, and receive grants from, the Department of Hawaiian Home Lands (DHHL) for basic services available under the Hawaiian Homes Commission Act, 1920.

Among other things, this measure:

- (1) Requires DHHL to enter into contracts with native Hawaiian beneficiaries, homestead organizations, or other native Hawaiian organizations to enhance beneficiary involvement in the management and maintenance of the Hawaiian Home Lands Trust, and to provide for the purchase, management, and maintenance of supplies, services, and equipment;
- (2) Authorizes DHHL to provide grants to native Hawaiians, homestead associations, or other native Hawaiian organizations;
- (3) Instructs DHHL to give preferential treatment to native Hawaiians regarding contracts, subcontracts, grants, and subgrants; and
- (4) Establish financial disclosure and auditing requirements on the recipients of DHHL contracts and grants.

Your Committee received testimony in support of this measure from the Hawaiian Home Lands Action Network, the Native Hawaiian Legal Corporation, the Aged Hawaiians, concerned homesteaders, and persons on homestead waiting lists.

The Department of Hawaiian Home Lands also submitted comments on this bill, noting that the Department would support giving preference to native Hawaiian individuals and organizations in the award of contracts for services, provided that:

- (1) The preferential award of contracts would not violate federal and state law (an opinion by the Attorney General found that such a practice conflicts with Title VII of the Civil Rights Act of 1964);
- (2) The costs of services are reasonable; and

- (3) The individual or organization is able to do the work.

Your Committee has amended this bill by making technical, nonsubstantive revisions for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1500, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1500, H.D. 2.

Signed by all members of the Committee.

SCRep. 756 Finance on H.B. No. 1698

The purposes of this bill are to:

- (1) Amend obsolete provisions of the Hawaii Revised Statutes that related to the taxation of real property now administered by the various counties; and
- (2) Eliminate the ability of the counties to tax the real property of public utilities.

Public utility companies are assessed a public service company tax by the State in lieu of general excise taxes and real property taxes. All public service company tax revenues are deposited into the State general fund. This method of taxing public utilities was originally chosen because of the inherent difficulty of taxing the property of public utilities. This practice of not taxing the real property of public utilities has continued even after the counties were given the powers and duties relating to the real property tax in 1989.

Currently, the counties have the authority to levy real property taxes on the property of public utilities. A problem could occur if the counties decided to tax these properties while the public utilities continue to pay the public service company tax. This would create a double tax situation. By restricting the counties from taxing the real property of public utilities, the State would:

- (1) Ensure that no double taxation could occur that would be detrimental to rate payers; and
- (2) Eliminate the possibility of subjecting the real property of public utilities to varying tax treatments by the four different counties.

The Department of Taxation, GTE Hawaiian Tel, and the Hawaiian Electric Company all supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1698, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1698, H.D. 1.

Signed by all members of the Committee.

SCRep. 757 Finance on H.B. No. 777

The purpose of this bill is to authorize and govern the establishment of a new business entity known as a "limited liability company."

Your Committee received testimony supporting the intent of this measure from the Department of Business, Economic Development, and Tourism and the Corporations and Securities Section of the Hawaii State Bar Association (HSBA). The Business Registration Division and the Office of Consumer Protection of the Department of Commerce and Consumer Affairs submitted comments on this bill, recommending an amendment to ensure the continued protection of consumers dealing with limited liability companies under Chapter 487, Hawaii Revised Statutes.

According to the HSBA, a limited liability company is a hybrid business organization combining the limited liability protection of corporations with the favorable income tax treatment of partnerships. This measure is based on a Prototype Limited Liability Company Act prepared by the American Bar Association in 1992.

The HSBA testimony also noted that limited liability companies present an attractive alternative for businesses by offering operational flexibility without many of the restrictions imposed on S corporations and limited partnerships. In addition, limited liability companies would offer a progressive means of attracting venture capital to the State and would lead to business creation, expansion, and profitability.

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

- (1) Inserting a provision making the limited liability company, its individual members, managers, or agents, jointly and severally liable for the payment of restitution to injured consumers;
- (2) Revising the sum appropriated from \$150,000 to \$1 for the purposes of continued discussion;
- (3) Clarifying that the bill shall be repealed on December 31, 1994; and

- (4) Making technical, nonsubstantive revisions for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 777, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 777, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 758 Finance on H.B. No. 2029

The purpose of this bill is to change the composition and the membership of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (HACDACS), and the State Council on Mental Health and Substance Abuse (Council) and its statutory service area boards.

This measure:

- (1) Specifies that one appointed member of the HACDACS be a member of the Council and be knowledgeable about the community and issues associated with mental health, mental illness, and substance abuse;
- (2) Delineates individual representation on the Council and specifies that half of the nonprovider members consist of parents of children with serious emotional disturbances, and that one member represent HACDACS;
- (3) Requires the Council to serve as an advocate for adults and children with mental illnesses or emotional problems; and
- (4) Changes the name of the Council to the "State Council on Mental Health."

The Department of Health submitted testimony in strong support of this measure noting that the bill would provide consistency with provisions of the federal Alcohol, Drug Abuse and Mental Health Administration Reorganization Act. HACDACS and the Salvation Army submitted comments in favor of this measure. The Mental Health Association of Hawai'i and concerned individuals expressed opposition and cautionary comments.

After careful deliberation, your Committee believes that this measure should continue to proceed through the legislative process, and has amended this bill by:

- (1) Amending the representation of children in Council deliberations by stipulating that the number of parents of children with serious emotional disturbances shall be sufficient to provide adequate representation of the children in the deliberations of the Council;
- (2) Stipulating that the Council also serve as an advocate for individuals with combined mental illness substance abuse disorders; and
- (3) Providing that the Service Area Board advise the service area centers to also prevent combined mental illness substance abuse disorders; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2029, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2029, H.D. 2.

Signed by all members of the Committee.

SCRep. 759 Finance on H.B. No. 2030

The purpose of this bill is to provide an alternative means of financing community hospitals without requiring an outlay of general funds by granting the Department of Health the authority to issue revenue bonds.

Testimony in strong support of this measure was submitted by the Department of Health noting that in today's cost-conscious health care market, hospitals and health care facilities must be able to take advantage of all possible means of financing to facilitate the delivery of medical services.

Your Committee has amended this bill by making technical, nonsubstantive changes for the purposes of style and clarity and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2030, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2030, H.D. 1.

Signed by all members of the Committee except Representative Santiago.

SCRep. 760 Finance on H.B. No. 1736

The purpose of this bill 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.

In supporting this measure, the Department of Commerce and Consumer Affairs testified that in working with the insurance laws over the years, there is a need for changes since some of the statutes in the Insurance Code are out of date, or contain ambiguities. As an example, the Department of Commerce and Consumer Affairs stated in their testimony that deposits and license fees have not been increased since 1978, and should be adjusted. Supportive testimony was also submitted by the Royal State National Insurance Company. Testimony in opposition to this measure was submitted by the Mutual Benefit Association of Hawaii.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1736, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1736, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Tam and Ward.

SCRep. 761 Finance on H.B. No. 1370

The purpose of this bill is to establish Mount Olomana as a State monument, register it as a historical site, and acquire the necessary lands essential to its preservation.

Testimony in support of this measure was submitted by members of the Hawaii Equestrian Trails Association and private citizens. The Department of Land and Natural Resources (DLNR) supported the intent of the bill.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting the Tax Map Key Number for the lands to be acquired by DLNR; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1370, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1370, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Kanoho and Tajiri.

SCRep. 762 Finance on H.B. No. 2057

The purpose of this bill is to statutorily establish the International Business Center of Hawaii, to be placed with the Department of Business, Economic Development, and Tourism (DBEDT), to strengthen the State's economy by enhancing and expanding international business opportunities for private sector firms interested in conducting business in or through the State.

According to DBEDT, this bill would build on the progress made in the past two years by DBEDT's special project known as the International Business Center of Hawaii.

The International Trade Administration of the United States Department of Commerce, DBEDT, the Office of International Relations, Hawaii Visitors Bureau, Choy Marine Services, Inc., Factor One Funding Resources, J.B. Havre, Inc., and the Export-Import Bank of the United States testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2057, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 763 Finance on H.B. No. 1701

The purpose of this bill is to require persons operating and riding motorcycles and motor scooters in the State to wear safety helmets.

Testimony in support of this bill was submitted by the Department of Transportation, the Department of Health, the Honolulu Police Department, the Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, Hawaii Medical Association, the Rehabilitation Hospital of the Pacific, Hawaii Safety Helmet Coalition, the Injury Prevention Advisory Committee, various other medical and health care organizations, and concerned citizens.

In addition, testimony in opposition to this bill was submitted by the Harley Owners Group, various motorcycle organizations and clubs, and other concerned citizens.

The federal Intermodal Surface Transportation Efficiency Act of 1991, Pub. L. No. 102-240, provides that all states without mandatory helmet laws by September 30, 1993, would be required to spend 1.5 percent of their federal highway construction money on highway safety programs. If the State does not pass a mandatory helmet law, federal funds designated for highway construction in the State would be used instead for seat belt and motorcycle helmet education, enforcement training, enforcement, and monitoring of seat belt and motorcycle helmet usage.

Consequently, if Hawaii does not pass a mandatory helmet law by September 30, 1993, the State would lose \$1,400,000 designated for federal highway construction funds in federal fiscal year 1995. For every year thereafter, the State would lose \$2,700,000 annually.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1701 and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Chang, Nekoba and Tam voted no.)

SCRep. 764 Finance on H.B. No. 1882

The purpose of this bill is to enable the Consumer Advocate to hire technical assistants who shall be exempt from civil service laws.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Division), testifying in support of the measure, stated that it frequently becomes involved in cases where specific detailed knowledge about a particular industry is critical. However, the State, in many instances, does not have job classifications that fit the regulatory and industry backgrounds of persons with the requisite expertise to work on these cases. The hiring flexibility proposed by the bill will significantly aid the Division in its efforts to promptly and efficiently handle its caseload to the benefit of consumers and the regulatory process.

The Hawaiian Electric Company, Inc. also submitted testimony in support of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1882, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 765 Finance on H.B. No. 1405

The purpose of this bill is to require the Legislative Reference Bureau (LRB) to conduct a review of Chapter 234, Hawaii Revised Statutes (HRS), relating to Tax Relief for Natural Disaster Losses. The bill provides that LRB:

- (1) Review the reason for the enactment and legislative history of Chapter 234, HRS;
- (2) Review, compare, and set forth the federal, state, and county tax, loan, and other benefits available when Chapter 234, HRS, was enacted and in 1993; and
- (3) Make recommendations whether Chapter 234, HRS, should be repealed or amended, and if so, in what manner.

The Department of Taxation submitted testimony in favor of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 766 Finance on H.B. No. 1146

The purpose of this bill is to make the Office of International Relations a permanent office.

Specifically, this bill repeals the sunset date of June 30, 1995, for the Office of International Relations by amending Act 101, Session Laws of Hawaii 1992.

The Director of the Office of International Relations testified in strong support of the bill. The testimony noted that making the Office of International Relations permanent assures the State of a proper mechanism through which it can continue to effectively conduct international relations and intergovernmental affairs, and initiate contacts for the development of international business for the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1146 and recommends that it pass Third Reading.

Signed by all members of the Committee.

(Representatives Alcon and Tam voted no.)

SCRep. 767 Finance on H.B. No. 1646

The purpose of this bill is to authorize the Department of Human Services to establish an imprest fund, or petty cash fund, for work-related expenses to assist Job Opportunities and Basic Skills (JOBS) participants with payment for extraordinary and emergency expenses that may arise.

The Department of Human Services and a concerned citizen submitted testimony supporting the passage of this measure.

According to the Department of Human Services, Section 54 of Act 296, Session Laws of Hawaii 1991, provided temporary authority for the imprest fund authorized by this bill. This measure would provide statutory authority for the imprest fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1646 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 768 Finance on H.B. No. 1530

The purpose of this bill is to appropriate funds for a concerted worldwide campaign to promote Hawaii as a premier golf and vacation destination. The Department of Budget, Economic Development, and Tourism (DBEDT) and the Hawaii Visitors Bureau (HVB) are to develop the strategy for this promotion as an integral part of the overall tourism promotion effort.

Testimony in support of this measure was submitted by DBEDT, the HVB, Hawaii's Premier Golf Resorts, the Professional Golfers' Association of America, the Mauna Lani Resort, the Mauna Kea Beach Hotel, the Waikoloa Resort, the Makena Resort, and the Wailea Resort Company, Ltd.

Additional testimony urging passage of this bill was received from the Poipu Bay Resort Golf Course, the Hawaii Prince Golf Club, the Alii and Kona Country Clubs, the Kaluakoi Golf Course, and the Links at Kuilima, as well as Media Five Limited, Hawaiian Capital Securities, and several concerned citizens.

The Hawaii Hotel Association supported the bill's intent.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1530, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representatives Alcon, Pepper, Santiago and Tam voted no.)

SCRep. 769 Finance on H.B. No. 1505

The purpose of this bill is to extend the deadline set forth in Act 314, Session Laws of Hawaii 1991 (Act 314), from January 1, 1994, to December 31, 1994.

Act 314 authorized the Department of Land and Natural Resources (DLNR) to negotiate and enter into long-term leases on state lands with those residents of Kalapana who are of Hawaiian ancestry and who were dispossessed or displaced from their homes as a result of the recent volcanic eruptions on the island of Hawaii. Pursuant to Act 314, the DLNR's authorization to award long-term leases expires on January 1, 1994. This measure would extend the deadline to December 31, 1994.

Your Committee received testimony supporting the passage of this bill from the Department of Land and Natural Resources and the Hilo Homebuilders Support Group. In addition, the Gibson Foundation submitted comments explaining why the deadline extension is necessary.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 770 Finance on H.B. No. 192

The purpose of this bill is to require the State to deposit moneys into the University of Hawaii Research and Training Revolving Fund (Fund), as reimbursement to the Research Corporation of the University of Hawaii (RCUH), in an amount equal to the management fee determined by the University of Hawaii (UH) and RCUH.

Currently, reimbursements received from external sponsors for indirect costs of research and training programs conducted by UH are deposited into the general fund of the State. Fifty percent of that amount is then returned to UH for deposit into the Fund. This bill will increase the reimbursement to RCUH for its services.

Testimony in support of this bill was submitted by the UH Vice President for Research and Graduate Education, a group of principle investigators of research at UH, and a UH undergraduate student.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 192, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 771 Finance on H.B. No. 951

The purpose of this bill is to:

- (1) Reclassify the television and film industry production training project of ETV/Elephant Television, from a "processing enterprise" to an "industrial enterprise," to facilitate the issuance of special purpose revenue bonds for the project; and
- (2) Extend the lapsing date of the authority to issue such bonds from June 30, 1993, to June 30, 1995.

In 1991, the Legislature authorized the issuance of special purpose revenue bonds for the foregoing project in an amount not exceeding \$6,000,000 (Act 278, Session Laws of Hawaii 1991). However, that legislation incorrectly classified the project as a "processing enterprise under Part IV of Chapter 39A, Hawaii Revised Statutes". Reclassification of the project as an "industrial enterprise under Part V of Chapter 39A, Hawaii Revised Statutes" is necessary for special purpose revenue bond issuance purposes.

The President of ETV Hawaii/Elephant Television, Inc. testified in strong support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 951, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 772 Finance on H.B. No. 576

The purpose of this bill is to appropriate \$1 for the completion of a study on the economic impact of divorce on spouses in Hawaii.

The bill designates the Hawaii Supreme Court Permanent Committee on Gender and Other Fairness to complete and submit the final study to the Legislature before the 1994 legislative session.

Testimony in support of this bill was submitted by the Supreme Court's Committee on Gender and Other Fairness, the Hawaii State Commission on the Status of Women, and a family law practitioner.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 576, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 773 Finance on H.B. No. 2050

The purpose of this bill is to:

- (1) Increase the Department of Transportation (DOT) Harbors Division's bond issuance ceiling on special facility revenue bonds from \$50,000,000 to \$100,000,000; and
- (2) Allow the DOT Harbors Division to continue issuing special facility revenue bonds for harbors by deleting the sunset date of June 30, 1987.

In supporting this measure, the DOT testified that raising the bond issuance ceiling from \$50,000,000 to \$100,000,000 will provide private maritime companies the option to finance development projects for waterfront facilities.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 774 Finance on H.B. No. 2031

The purpose of this bill is to allow the Department of Health (DOH) to contract for the administration or lease of any or all of the community hospitals in the State.

Under existing law, the DOH has the option to contract for the administration or lease of community hospitals in the County of Hawaii only. This measure would extend the DOH's authority to all of the public health facilities in the State.

Testifying in support of this bill, the DOH noted that, increasingly, managers in the health care field are entering into contracts with professional hospital management organizations for the management of hospital departments or whole facilities to minimize administrative overhead.

Hawaii's community hospitals are challenged with the problem of lowering administrative costs while maintaining skilled hospital management personnel. By giving the DOH the option to contract, the DOH will have greater flexibility in the efficient administration and management of the State's community hospitals.

The Hawaii Government Employees Association submitted testimony in opposition.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2031 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Santiago.

SCRep. 775 Finance on H.B. No. 1800

The purpose of this bill is to authorize the issuance of \$50,000,000 in special revenue bonds to assist Hui 'Enekinia Hawai'i in establishing a cogeneration facility and related water production facilities on the island of Hawaii.

Testifying in support of the bill, the Department of Business, Economic Development, and Tourism stated that because the projected demand for electricity on the island of Hawaii will continue to increase, additional generating capacity is necessitated. A councilmember of the County of Hawaii supported the measure as a means of encouraging economic development and improving electrical power production stability at a competitive cost to the consumers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 776 Finance on H.B. No. 1017

The purpose of this bill is to enable the Honolulu Police Department to better deal with problems relating to the homeless population by appropriating funds to establish an Outreach Assistance Pilot Program.

Currently, many homeless individuals suffer from various chronic disabilities such as physical illness, mental illness, or substance abuse. Police officers usually do not have the training nor the resources to recognize and provide assistance to them. As a result, many individuals end up in jail for "disorderly conduct" due to the behavioral problems associated with these chronic disabilities. In many cases, a more appropriate response would be to refer the individual to an agency that could provide assistance.

This bill would appropriate funds to the City and County of Honolulu to continue its HPD Project Outreach for a one-year period. Under this Program, an outreach response team would train police officers on:

- (1) How to recognize the problems of mental illness, substance abuse, physical and mental disability, and physical abuse;
- (2) How to provide appropriate response; and
- (3) What services are available in the community to assist these individuals.

The following agencies supported this bill: the Mental Health Association in Hawaii; the Hawaii State Alliance for the Mentally Ill; the Institute for Human Services, Inc.; Protection and Advocacy Agency of Hawaii; the Waikiki Health Center; and the Hawaii Ecumenical Housing Corporation. A concerned citizen also testified in favor of this bill.

With the funding provided by this bill, the Program could eventually serve as a national model and a resource center for other enforcement agencies around the country that are attempting to provide similar services to homeless, mentally ill individuals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Kanoho and Tajiri.

SCRep. 777 Finance on H.B. No. 2051

The purpose of this bill is to ensure that the State does not lose federal highway funding by conforming State law with provisions of the Commercial Motor Vehicle Safety Act of 1986.

More specifically this bill would:

- (1) Allow individuals holding a Mexican commercial motor vehicle driver's license to drive commercial motor vehicles in Hawaii;
- (2) Making the statutory definition of "nonresident commercial driver's license" consistent with the federal definition;
- (3) Allowing a driver of a commercial motor vehicle to have only one driver's license, consistent with federal law; and
- (4) Providing a legal basis for a district court judge to conduct a hearing for a driver of a commercial motor vehicle who allegedly violated the prohibition against driving a commercial motor vehicle with a blood alcohol concentration of .04 percent or more.

Your Committee finds that if the State does not comply with federal law, as incorporated in this bill, the State could lose \$4.4 million in the first year and \$8.8 million every year thereafter.

Testimony in support of this measure was submitted by the Department of Transportation, the Traffic Division of the Honolulu Police Department, and the Hawaii Transportation Association.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2051 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 778 Finance on H.B. No. 2075

The purpose of this bill is to allow the Board of Land and Natural Resources to lease government-owned fishponds for the purposes of reconstruction, rehabilitation, and improvement, without having to obtain prior approval of the Governor and prior authorization of the Legislature.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2075 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Santiago.

SCRep. 779 Finance on H.B. No. 635

The purpose of this bill is to allow taxpayers who conduct business in more than one county to submit their general excise tax returns to the tax office in the City and County of Honolulu.

Act 184, Session Laws of Hawaii 1990, required companies doing business in several counties to account for transactions or sales of goods and services in the county in which the tax accrued.

The Department of Taxation and the Chamber of Commerce of Hawaii testified in support of this measure. Written comments were also submitted by the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 635 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Santiago.

SCRep. 780 Finance on H.B. No. 734

The purposes of this bill are to:

- (1) Establish the Hawaii Economic Development Council in the Office of the Legislative Auditor to, among other things:
 - (a) Formulate state economic development policy for consideration by the Legislature;
 - (b) Recommend to the Legislature appropriate program roles for the various state and county agencies engaged in economic development;

- (c) Suggest to the Legislature appropriate new programs, revisions of existing programs, and appropriate agencies of new or revised programs; and
- (d) Monitor the implementation of economic development programs at the state level; and
- (2) Appropriate funds for the Hawaii Economic Development Council, including the hiring of necessary staff.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 734, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Santiago.

SCRep. 781 Finance on H.B. No. 65

The purposes of this bill are to:

- (1) Authorize the Department of Budget and Finance (B&F) to issue revenue bonds to enable the Housing and Finance Development Corporation (HFDC) to finance and refinance the purchase of the Queen Emma Gardens apartments; and
- (2) Establish a loan program and a special fund within the B&F to transfer the proceeds of the bonds issued to the HFDC for the foregoing purpose.

Your Committee received testimony supporting the intent of this bill from the HFDC, the Department of Housing and Community Development of the City and County of Honolulu, the Queen Emma Gardens Tenants' Association, and several concerned citizens.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 65, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Santiago.
(Representatives Kanoho and Suzuki voted no.)

SCRep. 782 Finance on H.B. No. 1626

The purpose of this bill is to enable the State Employees' Retirement System (ERS) to conform with federal law prohibiting discrimination against older workers in both contributory and noncontributory retirement plans by deleting references to age 55 for ordinary disability retirement benefits.

Your Committee finds that as a result of the U.S. Supreme Court's decision in Public Employees Retirement System of Ohio v. Betts, Congress enacted the Older Workers Benefit Protection Act of 1990. This federal law prohibits discrimination against older workers in all employee benefit plans. Your Committee further finds that this measure will enable the ERS to conform with the provisions of this new federal law.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1626 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 783 Finance on H.B. No. 1364

The purpose of this bill is to establish a Revolving Fund (Fund) for the Conference Center Program (Program) in the College of Continuing Education and Community Service of the University of Hawaii at Hilo.

This bill specifies that:

- (1) All fees, charges, and other moneys collected in conjunction with the Program shall be deposited in the Fund; and
- (2) Moneys shall be expended, without regard to state purchasing restrictions and competitive bidding requirements, for costs associated with conducting conferences, seminars, and courses offered by the Program.

Testimony in support of this bill was submitted by the Chancellor of the University of Hawaii at Hilo.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364 and recommends that it pass Third Reading.

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

SCRep. 784 Finance on H.B. No. 1895

The purpose of this bill is to enable the surviving spouse of a noncontributory member of the State Employees' Retirement System (ERS) to qualify for Health Fund and Option B benefits if the member is eligible for retirement at the time of death.

Under existing law, the surviving spouse and dependent children of a noncontributory plan member, who works for twenty or more years and dies at age 55 or later, will not receive any health fund benefits because the member was not "retired" for health fund purposes. On the other hand, if the decedent was a contributory plan member, the surviving spouse and dependent children would qualify for health fund benefits.

In supporting this bill, the Department of Budget and Finance testified that this measure would alleviate existing inequities between contributory and noncontributory plans.

Additional testimony in support of the bill was submitted by the University of Hawaii Professional Assembly, the Hawaii State Teachers Association, and the Hawaii Government Employees Association.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1895 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 785 Finance on H.B. No. 1896

The purpose of this bill is to continue the current investment yield rate of eight percent for the actuarial valuations of the State Employees' Retirement System (ERS) for fiscal years ending 1993 and 1994.

Your Committee finds that actuarial valuations are prepared annually to determine employer contributions required to fund the ERS. Since the current investment yield rate of eight percent expired on June 30, 1992, this measure is necessary to maintain the rate at the same level, as recommended by the actuary and the Board of Trustees of the ERS.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1896 and recommends that it pass Third Reading.

Signed by all members of the Committee.
(Representative Ward voted no.)

SCRep. 786 Finance on H.B. No. 1702

The purpose of this bill is to conform the definition of "tandem axle" in the Hawaii Revised Statutes with federal regulations to ensure that the State will not lose federal moneys.

The term "tandem axle" refers to a grouping of two consecutive axles supporting the weight of a motor vehicle or power vehicle. The Code of Federal Regulations defines "tandem axle" as two consecutive axles spaced more than forty inches, but not more than eight feet apart.

Testifying in support of the measure, the Department of Transportation stated that if the State does not change the definition of "tandem axle" as proposed, it will lose an estimated \$17,000,000 of National Highway System funds on October 1, 1993.

The Hawaii Transportation Association also submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1702, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 787 Finance on H.B. No. 1156

The purposes of this bill are to allow:

- (1) The State to make short-term investments of state moneys in financial services loan companies (FSLCs);
- (2) Insurers to invest or deposit its own funds in accounts of federally-insured FSLCs; and
- (3) Licensed general agents, subagents, solicitors, and adjusters to deposit the premiums collected in accounts at federally-insured FSLCs.

Testimony in support of this bill was submitted by the Hawaii Financial Services Association. The Department of Commerce and Consumer Affairs had no objections to this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1156 and recommends that it pass Third Reading.

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

SCRep. 788 Finance on H.B. No. 178

The purpose of this bill is to establish the following within the Department of Transportation (DOT):

- (1) A bicycle/pedestrian program coordinator position to, among other things, assist the Director of Transportation in the planning, funding, acquisition, design, construction, improvement, repair, and maintenance of bikeways in the State;
- (2) A Statewide Bicycle Transportation Advisory Committee to advise the bicycle/pedestrian program coordinator and disseminate periodic status reports to the general public regarding bicycling and bikeways; and
- (3) A Statewide Bicycling Promotion Program.

In supporting this bill, the DOT testified that the Federal Intermodal Surface Transportation Efficiency Act of 1991, as amended, mandates each state to establish and fund a bicycle/pedestrian program coordinator position.

Your Committee also received favorable testimony from the Kea'au Banana Plantation, the Gatorade Ironman Triathlon World Championship, Peoples Advocacy for Trails Hawaii, the Hawaii Bicycling League, E Mau Na Ala Hele, and concerned citizens.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 178, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 789 Finance on H.B. No. 694

The purpose of this bill is to appropriate funds for fiscal year 1993-1994 to drill test borings from underground sources near the Kapahulu Street end of Ala Wai Canal to establish the quantity and quality of water available.

Testimony in support of this bill was submitted by the Hilton Hotels Corporation and the Waikiki Improvement Association.

The Department of Land and Natural Resources stated that while it recognizes the merits of the project, it is unable to support the measure at this time due to the anticipated shortfall of state revenues.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 694, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 790 Water and Land Use Planning on H.B. No. 1307

The purpose of this bill is to prohibit the use of the State's condemnation power under Chapter 516, Hawaii Revised Statutes, to convert from leasehold to fee simple, any ceded lands encumbered by residential leases.

In support of this bill, the Office of Hawaiian Affairs (OHA) testified that ceded lands currently represent the corpus of the public land trust from which OHA derives its primary source of revenues. OHA further testified that it supports the use of ceded lands for the development of more affordable housing, but is becoming increasingly concerned about the erosion of the corpus through the sale and fee transfer of these lands.

The Housing Finance and Development Corporation and the Department of Land and Natural Resources raised concerns of the existing language in this bill, therefore, your Committee has amended this bill to address those concerns.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1307, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1307, H.D. 1.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 791 Consumer Protection and Commerce and Judiciary on H.B. No. 1668

The purposes of this bill are to:

- (1) Clarify the issuance and recordation process of certificates for two or more registered owners with regards to the conveyance of a fee simple interest in registered land;
- (2) Clarify the recordation process for certificates regarding interests in registered land less than a fee simple estate;
- (3) Specify when a new certificate of title shall be entered;
- (4) Mandate that a court judgment affecting title may be recorded but court judgments entered in lieu of directing a conveyance as well as any instrument that gives effect to the judgment must be recorded; and
- (5) Clarify the recordation process for a certificate of merger as well as identify what shall be contained in the certificate of merger.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Escrow Association of Hawaii, the Judiciary, the Gentry Companies, and a private citizen.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1668, H.D. 1 and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Hirono and Takamine.

SCRep. 792 Consumer Protection and Commerce and Judiciary on H.B. No. 433

The purpose of this bill is to clarify laws pertaining to the practice of medicine and surgery by exempting from the medical licensing statute, a first responder personnel certified by the Department of Health, who provides automatic defibrillation under the medical oversight of a licensed physician.

Testimony was submitted by the Board of Medical Examiners, the Department of Health, the Hawaii Fire Chiefs Association, and the City and County of Honolulu.

In supporting this measure, the Department of Health testified that:

- (1) In 1992, the American Heart Association estimated that approximately 1.5 million Americans experienced cardiac arrest, of which nearly one-third resulted in fatalities; and
- (2) Because the normal heartbeat can often be restored quickly in cases of heart attacks through the use of a defibrillator, the use of automatic defibrillation units by emergency medical personnel would greatly enhance the ability of paramedics to provide emergency services to those in dire need of medical assistance.

In light of this, your Committee believes that the provisions of this bill will strengthen the readiness of Hawaii's emergency medical personnel, as well as ensure the welfare and safety of the general public.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 433, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Bainum, Hirono, Menor and Takamine.

SCRep. 793 Consumer Protection and Commerce and Judiciary on H.B. No. 526

The purpose of this bill is to add a new Chapter to the Hawaii Revised Statutes (HRS) establishing regulatory oversight over the practice of social work. Specifically, this bill:

- (1) Establishes a State Board of Social Work Examiners (Board) empowered to promulgate rules pursuant to Chapter 91, HRS, to effectuate the purposes of this Chapter;
- (2) Requires persons engaging in social work, as defined by this Chapter, to be licensed pursuant to this Chapter;
- (3) Provides for disciplinary sanctions issued by the Board; and
- (4) Mandates the confidentiality of client information, except under certain limited circumstances.

Supportive testimony was submitted by the Department of Health, the Hawaii Nurses' Association, the Child and Family Service, the National Association of Social Workers, the Hawaii Early Intervention Coordinating Council, the Sex Abuse Treatment Center, and concerned graduate students of the University of Hawaii's School of Social Work. Testimony in opposition to this measure was submitted by the Waikiki Health Center. In addition, the Department of Commerce and Consumer Affairs submitted comments on this bill.

Your Committees find that the creation of licensure requirements and other regulatory controls on Hawaii's social workers, as proposed in this measure, would:

- (1) Assure a high quality of care to Hawaii's most vulnerable populations by setting minimum educational and clinical standards on social workers;
- (2) Provide consumers with recourse for unethical and harmful practices by social workers; and
- (3) Promote a competitive spirit among social workers that will ultimately improve the overall provision of services to the people of our State;

In light of this, your Committees believe that the provisions of this bill will enhance the prestige and competency of the social work profession, as well as ensure the welfare and safety of the consuming public.

After careful consideration, your Committees have made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 526, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 526, H.D. 2.

Signed by all members of the Committees except Representatives Hirono and Takamine.

SCRep. 794 Consumer Protection and Commerce on H.B. No. 1663

The purpose of this bill is to amend Subsection 386-154(b), Hawaii Revised Statutes, to enable the Department of Labor and Industrial Relations to determine the amount of the Workers' Compensation Special Compensation Fund assessment and receive funds directly from self-insured employers.

The Department of Labor and Industrial Relations (DLIR) submitted testimony in favor of the bill.

Your Committee finds that currently, the Director of Commerce and Consumer Affairs determines the amount of the assessment, collects it, and deposits the funds to the Special Compensation Fund. This change will streamline the entire process of assessment collections from self-insured employers by enabling DLIR to receive assessment funds directly from its payors.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1663 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hirono, Menor, Oshiro and Tom.

SCRep. 795 Consumer Protection and Commerce on H.B. No. 313

The purpose of this bill, as received by this Committee, is to continue the regulation of time sharing by extending the sunset date of Chapter 514E, Hawaii Revised Statutes to December 31, 1999.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs, the Kona Coast Resort Limited Partnership, and the American Resort Development Association Hawaii.

Your Committee believes the bill is consistent with the recommendation made by the Legislative Auditor in the recent Sunset Evaluation Report No. 92-19, dated November, 1992, that the time share regulatory program be continued. By doing so, it will ensure that time sharing activities are conducted in an ethical and forthright manner. More importantly, it will continue to protect the public's welfare.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 313, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hirono, Menor, Oshiro and Tom.

SCRep. 796 Consumer Protection and Commerce on H.B. No. 118

The purpose of this bill is to provide statewide enhanced 911 (E-911) emergency telephone service. This bill amends Chapter 269, Hawaii Revised Statutes, by adding a new section that would allow a public utility to include capital costs of providing E-911 service in its local exchange telecommunications services rate base, and recover capital costs and related operating expenses through its basic service rate.

Your Committee finds that the benefits of the E-911 system are not only desirable, but also vital to the welfare and safety of our island residents. The E-911 system would save lives, reduce property losses, and expedite emergency medical responses.

Specifically, the E-911 system would assist visitors reporting emergencies who are unfamiliar with specific locations and the pronunciation of local names; assist the elderly, handicapped, and children, in reporting emergencies; reduce prank calls, bomb scares, and harassment calls through immediate identification of the call source; provide faster emergency response time in cases of major crimes, especially if the victim is unable to provide information due to the threat of life or injury; and provide those responding to emergencies with an informational data base of those rural subscribers without street addresses.

Supportive testimony was submitted by the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the GTE Hawaiian Telephone Company Inc., the Chair of the Public Utilities Commission, the Chair of the Kauai County Council, the Chief of Police of Maui County Police Department, and the Hawaii State Association of Counties.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 118 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Menor, Oshiro and Tom.

SCRep. 797 Consumer Protection and Commerce on H.B. No. 446

The purpose of this bill is to clarify that diplomats of the National Board of Medical Examiners, and graduates of foreign medical school who have passed the federation licensing examination be licensed without the necessity of further licensure examinations.

Supportive testimony was submitted by the Board of Medical Examiners (Board), and the Hawaii Medical Association.

Your Committee finds that Chapter 453, Hawaii Revised Statutes (HRS) (Medicine and Surgery), currently requires applicants to pass either a three-part examination conducted by the National Board of Medical Examiners (NBME), or the two-component examination conducted by the Federation of State Licensing Boards (FSLB) prior to the issuance of licenses to practice medicine or surgery in the State of Hawaii.

However, your Committee has been informed that:

- (1) The NBME and the FSLB have collaboratively worked to establish the United States Licensing Medical Examination (USLME) as a replacement for the above-mentioned examinations; and
- (2) It is expected that all licensing authorities in the United States will accept the USLME examination results for the initial medical licensure of applicants.

Furthermore, while members raised concerns that the establishment of a new licensure examination would hinder the ability of foreign medical school graduates to obtain licensure in Hawaii, the Board has assured your Committee that the USLME will adequately meet the special needs of foreign graduates, and thus prove not to prohibit competent foreign graduates from obtaining licenses to practice medicine and surgery in the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 446, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bainum, Cachola, Takamine and Tom.

SCRep. 798 Consumer Protection and Commerce on H.B. No. 1624

The purpose of this bill is to clarify the Hawaii Land Reform Act by prohibiting the sale of any residential house/lot within a development tract to persons who are not bona fide residents of the State unless, among other things, the persons reside on the lot within twenty months of the date of the final judgment of the condemnation case.

In supporting this measure, the Executive Director of the Housing Finance and Development Corporation (HFDC) testified that currently, the HFDC is unable to convey the leased fee interest to any lessee unless the lessee resides on the lot within five years of the date of purchase (except in hardship circumstances as determined by the HFDC). Pursuant to this requirement, the HFDC is required to:

- (1) Front the purchase price of the leased fee interest to the lessor with its own funds until such time that the lessee resides on the lot; and
- (2) Hold the leased fee interest for up to five years before being reimbursed from the lessee upon qualification and conveyance.

The Executive Director further stated that rather than fronting the purchase price, the HFDC has relied on the simultaneous closing of the leased fee interest with the purchase price being paid by the lessee of the property. This process is cumbersome and has caused a considerable amount of administrative difficulties for the HFDC. Because of this, the Executive Director pointed out that the provisions of this bill would alleviate this situation by shortening the period that HFDC must hold the leased fee interest from five years to twenty months.

However, in written testimony submitted by the Kamehameha Schools/Bernice Pauahi Bishop Estate, your Committee acknowledges that the provisions of this bill, as received, would allow foreign and other offshore owners of residential leaseholds the right to acquire fee ownership; a result that is counter to the legislative intent of the Hawaii Land Reform Act to provide Hawaii residents the right to acquire the land under their homes.

While your Committee recognizes the difficulties experienced by HFDC, your Committee is deeply concerned that the provisions of this bill, as received, would seriously undermine the intended purpose of the Hawaii Land Reform Act.

In light of this, your Committee has sought to alleviate the administrative difficulties experienced by HFDC while preserving the purpose of the Hawaii Land Reform Act by amending this bill to provide that persons wishing to obtain lands made available through condemnation proceedings under Chapter 516, Hawaii Revised Statutes, must be bona fide residents of the State and reside on the lot to be purchased.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1624, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1624, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Menor, Oshiro and Tom.

SCRep. 799 Consumer Protection and Commerce on H.B. No. 1411

The purpose of this bill is to revise and clarify restrictions on the purchase of real property by the Housing Finance and Development Corporation (HFDC), where that real property is subject to mortgages, liens, or encumbrances. This bill establishes the superiority of the buyback lien of the HFDC over any other mortgage or lien, except any first mortgage created for the purpose of enabling the purchaser to obtain funds for the purchase of the unit and any other mortgages made with the approval and consent of HFDC.

The Housing Finance and Development Corporation of the State of Hawaii and the Department of Housing and Community Development of the City and County of Honolulu presented favorable testimony on this measure.

Based on comments received by HFDC from the United States Department of Housing and Urban Development (HUD), the bill was amended by:

- (1) Including HUD-insured mortgages within the category of mortgages not subject to the superiority of HFDC's buyback lien; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1411, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1411, H.D. 1.

Signed by all members of the Committees except Representatives Hirono, Menor, Oshiro and Tom.

SCRep. 800 Consumer Protection and Commerce on H.B. No. 690

The purpose of this bill is to establish a new chapter on cooperative housing corporations patterned after laws relating to condominiums.

Testimony in support of the bill was received from the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Kokua Council of Senior Citizens, Hawaii Association of Realtors, and a cooperative apartment owner.

Testimony in opposition to the bill was received from the Department of Commerce and Consumer Affairs, Kuhio Ebbtide Development, Inc., a coalition of cooperative apartments, and a cooperative apartment owner.

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

- (1) Defining a cooperative housing corporation as a profit corporation organized under the Hawaii Business Corporation Act, chapter 415;
- (2) Providing for different procedures for the amendment of articles of incorporation, depending on whether the incorporation took place before, or on or after July 1, 1993;
- (3) Deleting the requirement that a cooperative housing corporation be subject to chapters 415 or 415B;
- (4) Requiring that restated articles of incorporation set forth all amended operative provisions along with a statement that the restated articles supersede the original articles of incorporation and prior amendments thereto;
- (5) Deleting the requirement that cooperative housing corporations be subject to regulation by the Real Estate Commission, and deleting all subsequent provisions referring to the commission;

- (6) Requiring that cooperative housing corporations be subject to the provisions of the Hawaii Business Corporation Act, chapter 415;
- (7) Deleting the provision relating to stock issuance, dividend distribution and compensation;
- (8) Providing that this Act shall take effect on July 1, 1993; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 690, as amended herein, and recommends that it be placed on the calendar for Third Reading as H.B. No. 690 H.D.1.

Signed by all members of the Committee except Representatives Hirono, Menor, Oshiro and Tom.

SCRep. 801 Consumer Protection and Commerce on H.B. No. 1754

The purpose of this bill is to provide coverage for immunizations recognized by the Immunizations Practices Advisory Committee of the United States Department of Health and the American Academy of Pediatrics under insurance policies issued by accident and sickness insurers, group and blanket disability insurers, and mutual benefit societies. In addition, this bill proposes to exclude immunizations from the minimum benefit restrictions of policies issued by the aforementioned insurers.

In supporting this measure, the representative from the Department of Health testified that the provisions of this bill would:

- (1) Clarify the specific immunization requirements for children and adults and the minimum coverages and reimbursements insurers must provide for immunization; and
- (2) Allow patients to receive more than one provider visit for the administration of immunizations.

Testimony in opposition to this bill was submitted by the Hawaii Medical Service Association.

While your Committee understands the health care insurance industry's desire to retain the authority to determine the types of coverages that health plans provide for services, your Committee believes that the mandatory coverage for immunization will enhance the health and well-being of our citizenry, as well as ensure that the burden of immunization costs are equitably shared by insurers and consumers alike.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1754, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1754, H.D. 2.

Signed by all members of the Committee except Representatives Hirono, Menor, Oshiro and Tom.

SCRep. 802 Finance 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 that 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 the other fiscal bills, including the Judiciary budget and the Office of Hawaiian Affairs budget bills, that impact on 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 the lost or reduced business activities on employment, income, output, and public sector revenues for Kauai, Waianae, and the rest of the State.

Slow Economic Growth

Unfortunately, Hurricane Iniki caused damage to the State's economy came 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 financial woes for Hawaii.

Council on Revenues estimations project the growth rate for this current fiscal year at -0.5 percent.

This gloomy forecast was echoed in presentations by Hawaii's noted economists at the start of the 1993 legislative session when the economists indicated that the State economy also had shifted to a negative rate of growth.

Although the projections by the Council on Revenues for fiscal years 1993-1994 and 1994-1995 appear to be more optimistic with 3.9 percent and 4.8 percent growth respectively, your Committee took a very cautious approach in developing this State Budget.

FINANCIAL PLAN: A BALANCED BUDGET

Your Committee finds that fiscal prudence and foresight are also fundamental to sound and responsible government. To maintain the State's fiscal solvency, your Committee maintained that the Budget be balanced by using a broad-disciplined approach through:

- (1) Prudent budgeting of our dwindling State resources; and
- (2) Working in partnership with our people to find new ways to meeting 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. Every attempt was made to thoroughly review each funding request and to incorporate the recommendations of each of the subject matter committees of the House of Representatives.

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 certain services and programs being reduced, or to do without 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.

Your Committee has also received strong and clear signals from the public against any general excise or income tax increase. We are in agreement with this sentiment, believing that increases of this nature will only add to the heavy financial burden of the average taxpayer who is already struggling through today's austere economic times. When residents must work two or more jobs to support themselves and their families, given the already high cost of living in the State, we must again state our resolve to spend tax dollars more efficiently.

However, we recognize that the demand for government services will continue to surpass the amount of tax dollars collected. Your Committee believes that all avenues of generating additional revenues must be explored to guard against any disruption of the flow of essential services to the public.

In Partnership with the People

To deal with these changing times, your Committee believes that the people must change their mindset 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 our 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 community, we can develop new solutions and prove that no natural disaster or economic woes can deter 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 for all. 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 examines ways to restructure government so that it facilitates the progress of the people, business, and the community.

Highlighted below are some of the major program areas contained in this bill to set a new future course for Hawaii.

PROGRAMS AND SERVICES

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 to ensure that Hawaii's economy will regain its vitality and that opportunities for economic success are made available to every citizen of our State.

Strengthening our economy will require a long-term outlook. It means all of us must make some sacrifice now so that we can all reap the benefits later. It takes the acceptance and understanding of the principle that an economically diverse Hawaii is a strong Hawaii that 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 and other measures reported out by your Committee, funds have been provided for infrastructure improvements, tax relief, and school reconstruction to help Kauai. In addition, a special effort will be made to assist Kauai in the aftermath of Hurricane Iniki. Funding of \$2,000,000 has been provided for each year of the 1993-1995 fiscal biennium for tourism promotion to revive Kauai's visitor industry and stimulate economic growth.

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. An emphasis will be on stimulating the visitor industry by repositioning Hawaii's image as a visitor destination through product-oriented marketing campaigns expressing more closely what 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 and 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 it 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 21st Century, your Committee has emphasized on strengthening the labor exchange process to assist job seekers in obtaining valuable skills and 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 \$1,050,000 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.

With the transition from an agrarian society, Hawaii will need to explore new economic initiatives. Your Committee has provided \$2,000,000 in each year of the fiscal biennium for long-term economic development for the Hilo-Hamakua region by directing DBEDT to examine economic activities to provide for economic and vocational rehabilitation in the wake of the Hamakua Sugar Plantation closure.

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.

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 focused on programs that will enhance the quality of education for our 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 many advances, discoveries, and changing times. Funds have been provided to provide supplies, equipment, textbooks, and educational support for the 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 lump sum budgeting for Hawaii's public schools and to provide for additional school needs.

In a State with a high percentage of working mothers, finding quality, affordable child care services has become a significant concern of the community. To continue the services of the A+ Program, which has been providing affordable and quality after-school supervision for students enrolled in kindergarten through grade six, your Committee has appropriated over \$4,890,000 for the 1993-1995 fiscal biennium. These funds will be used to provide after-school supervision for children in a stimulating and caring environment and reduce the incidence for latchkey children in the State.

Your Committee has placed a 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 classrooms and auditorium at Kapaa Elementary School. Kalaheo Elementary School has been appropriated \$3,065,000 to replace and upgrade its library. 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 and Community College systems. 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 restrictions of the 1992-1993 fiscal years and reallocations of positions and funds.

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, especially in light of the downturn in Hawaii's economy.

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 addressing 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. Our airports are experiencing difficulty in accommodating travelers in a timely manner, our harbors must meet ever increasing volumes of cargo, and our highways are burdened with worsening traffic congestion.

Your Committee has provided funds for various airport improvements, including funds for continued renovations 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 and expand the harbor basin and add berthing space at Barbers Point Harbor.

Environmental Protection

Our environment is a very delicate and important part of our lives. To ensure a safe and clean environment, your Committee has provided funds to ensure the protection and conservation of our State's natural resources.

The State's efforts to continue protecting and managing our 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 our precious water sources, \$3,900,000 have 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 the inception of this program, Hawaii has seen the revitalization and preservation of numerous local communities throughout the State. Recognizing the need to keep these local communities alive, as well as to assist other individual towns, your Committee supports Main Street Hawaii's efforts to preserve these towns by providing \$200,000 for each year of the 1993-1995 fiscal biennium.

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. In addition, funds have been provided to construct and operate a new 101-bed medium security and 80-bed minimum security prison facilities on Maui.

Funds have also been provided to establish a substance abuse program for the female inmate population of state-operated correctional facilities.

SUMMARY AND RECOMMENDATIONS

In summary, your Committee has carefully reviewed the numerous and varied funding requests and concerns of the Administration and the House of Representatives, 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.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representative Ward voted no.)

SCRep. 803

Finance 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 that ever hit Hawaii, and at a time when Hawaii's economy was 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 long-term effects of Hurricane Iniki is only now being assessed. The debilitating effects of this natural disaster on the community ranges from such diverse issues 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 the State's financial resources in the near future. Damage to property on Kauai alone has been estimated at \$1,600,000,000. Coupled with the destruction to property is the financial loss from the production and sale of Kauai's products, including the loss of tourists to agricultural crop loss from sugar and other Hawaii-grown products. Finally, there is the overall net effect of lost or reduced business activities on employment, income, output, and public sector revenues for Kauai and the State.

Slow Economic Growth

Unfortunately, this Hurricane caused damage to the State's economy at a time when our overall economy is 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 being placed on states to provide or expand services without the concomitant federal dollars have caused financial worries for Hawaii.

Estimations of the Council on Revenues project the growth rate for this current fiscal year at -0.5 percent. This gloomy forecast was echoed in presentations by Hawaii's noted economists at the start of the 1993 legislative session when the economists indicated that the state economy also had shifted to a negative rate of growth.

Although the Council on Revenues projections for fiscal years 1993-1994 and 1994-1995 appear to be more optimistic with 3.9 percent and 4.8 percent growth respectively, your Committee took a very conservative approach in developing this Judiciary Budget.

FINANCIAL PLAN: A BALANCED BUDGET

Because the fiscal integrity of the State is fundamental to a sound and responsible government, the impact of the changing economic conditions and other financial developments was 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 over the next fiscal years take a cautious and fiscally conservative approach regarding future expenditures and program expansions.

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.

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. At the same time, your Committee recognizes that fiscal responsibility dictates the identification of new ways to further maximize productivity and efficiency in the delivery of public services. As a result, many difficult decisions had to be made to reduce the requested amounts, and in certain instances not to provide funds at all. In this regard, serious consideration was given to ensure that adequate future fiscal resources would be available to maintain existing programs. Your Committee believes that, as difficult as the decisions were, the reductions are justified and constitute a proper course to follow.

To deal with these changing times, your Committee believes that the people must change their mindset and redefine what government is and what its role should be for Hawaii. No longer can we continue to do business as usual. No longer can we look upon government as the provider for all. Instead, your Committee believes that as an instrument of the people, government must forge new partnerships with all sectors of the community to create the kind of Hawaii we want for our children and grandchildren.

The Governor in his State of the State address noted that a proposal was being made to develop a State Office Building in Kapolei, with the State leasing the building from Campbell Estate. It is in this spirit of forging new partnerships that your Committee urges the Judiciary to begin deliberations with the State regarding incorporating a new Family Court in the aforementioned State Office Building at Kapolei.

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 adopt the position that economic uncertainty must be approached with an attitude of fiscal responsibility and constraint.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 203, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 804 Finance 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

1993 marks the 100th anniversary of the United States' overthrow of the sovereign Hawaiian kingdom in 1893.

As we commemorate the legacy of Queen Liliuokalani and the Hawaiian kingdom and solemnly observe the 100th anniversary of the overthrow of the kingdom of Hawaii, your Committee pledges its continued support to the Hawaiian community to address the injustices of the past.

Your Committee acknowledges that this task will not be easy, given the State's limited financial resources and a gloomy economic forecast. Nevertheless, through other measures passed by your Committee, your Committee has set in motion a series of actions to move positively in directions to restore the rights and dignity of Hawaii's indigenous people.

FINANCIAL AND BUDGETARY OVERVIEW

It was in this spirit of working together with the Hawaiian community that your Committee began its fiscal deliberations to formulate the 1993-1995 fiscal biennium budget for the Office of Hawaiian Affairs (OHA).

However, in deliberating on this OHA budget and the other bills that affect State finances including the State Executive Budget and 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. Added to that is the additional financial burdens placed on the State as a result of the destruction caused by Hurricane Iniki.

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 after a major natural disaster and helping to improve a sluggish economy.

Hurricane Iniki

It was on September 11, 1992, that one of nature's most destructive forces headed straight towards Hawaii. In its wake, Hurricane Iniki left a devastated island of Kauai and a ruined Waianae coast of Oahu.

The long-term effects of Hurricane Iniki are only now being assessed and range from such diverse issues 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 from the production and sale of Kauai's products, including the loss of tourists, to crop loss from sugar and other agricultural products. Finally, the State must contend with the impact that lost or reduced business activities has had on employment, income, output, and public sector revenues for Kauai and the State.

Slow Economic Growth

And unfortunately, this hurricane-caused damage to the State's economy came at a time when our overall economy is already sluggish.

During the past two years, socio-economic changes nationally and worldwide have placed a distressing set of 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 woes for Hawaii.

Estimations of the Council on Revenues project the growth rate for this current fiscal year at -0.5 percent. This gloomy forecast was echoed in presentations by Hawaii's noted economists at the start of the 1993 legislative session when the economists indicated that the State economy also had shifted to a negative rate of growth.

Although the Council on Revenues projections for fiscal years 1993-1994 and 1994-1995 appear to be more optimistic with 3.9 percent and 4.8 percent growth respectively, your Committee took a very cautious approach in developing this OHA Budget.

FINANCIAL PLAN: A BALANCED BUDGET

Because the fiscal integrity of the State is fundamental to sound and responsible government, the impact of the changing economic conditions and other financial developments was 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 over the next fiscal years all state agencies take a cautious approach regarding future expenditures and program expansions.

Your Committee believes that the public has the right to expect that: the State's fiscal integrity is maintained, public funds are expended wisely, and 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 willing to contend with reductions or even eliminations of certain services and programs until the economy improves significantly.

With this in mind, your Committee's decisions in formulating the OHA 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.

Recognizing that fiscal responsibility dictates the identification of new ways to further maximize productivity and efficiency in the delivery of public services, your Committee urges OHA to eliminate duplication of services with other agencies and to coordinate its efforts with other organizations to meet the needs of all Hawaiians and native Hawaiians.

In developing this Budget, difficult decisions had to be made on reducing the requested amounts, and in certain instances not providing funds at all. In this regard, serious consideration was given to ensure that adequate future fiscal resources would be available. Your Committee believes that, as difficult as the decisions were, the reductions are justified and constitute a proper course to follow. Each and every service and program area was scrutinized to ensure that state dollars appropriated would be prudently and efficiently spent.

The sum of \$400,000 for each year of the fiscal biennium has been provided to to create a grants-in-aid program for community-based organizations to provide social, health, and other services to Hawaiians. Your Committee notes that emphasis should be on those programs that are facing reduction in services due to overall State budget cuts.

Recognizing the hurricane-caused devastation on Kauai, your Committee has provided funds for a housing development program in conjunction with Alu Like and the Queen Lili'uokalani Children's Center. Funding has also been provided for self-help housing programs on the islands of Hawaii, Kauai, and Molokai.

SUMMARY

In summary, your Committee believes that this OHA Budget provides a responsible allocation of valuable, finite resources to the OHA to meet the immediate needs of 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 constraint.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 195, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 805 Higher Education and the Arts on H.R. No. 49

The purpose of this resolution is to urge the University of Hawaii Board of Regents to find a permanent site for West Oahu College.

The University of Hawaii testified in favor of the resolution.

Your Committee has amended the resolution to remove the provision for public hearings to be held during the 17th Regular Legislative Session.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 49, H.D. 1.

Signed by all members of the Committee except Representatives Apo, Arakaki, Hagino, D. Ige, M. Ige and Taniguchi.

SCRep. 806 Higher Education and the Arts on H.C.R. No. 54

The purpose of this concurrent resolution is to urge the University of Hawaii Board of Regents to find a permanent site for West Oahu College.

The University of Hawaii testified in favor of the concurrent resolution.

Your Committee has amended the concurrent resolution to remove the provision for public hearings to be held during the 17th Regular Legislative Session.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 54, H.D. 1.

Signed by all members of the Committee except Representatives Apo, Arakaki, Hagino, D. Ige, M. Ige and Taniguchi.

SCRep. 807 Energy and Environmental Protection on H.R. No. 52

The purpose of this resolution is to support and encourage the various public and private efforts to study and conserve the unique biological diversity of the Hawaiian Islands, and to endorse the ten-point action plan outlined in "Hawaii's Extinction Crisis: A Call to Action".

Your Committee received testimony in support of this resolution from the Department of Land and Natural Resources and the Hawaiian Humane Society. The Hawaiian Humane Society testified that while introduced animals are destructive to native ecosystems, they should be controlled in a humane manner.

Your Committee recognizes that Hawaii's environment is unique and that native ecosystems need to be protected from the unwanted introduction of alien plants and animals.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 52 and recommends that it be referred to the Committee on Finance.

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

SCRep. 808 Energy and Environmental Protection on H.C.R. No. 57

The purpose of this concurrent resolution is to support and encourage the various public and private efforts to study and conserve the unique biological diversity of the Hawaiian Islands, and to endorse the ten-point action plan outlined in "Hawaii's Extinction Crisis: A Call to Action".

Your Committee received testimony in support of this concurrent resolution from the Department of Land and Natural Resources and the Hawaiian Humane Society. The Hawaiian Humane Society testified that while introduced animals are destructive to native ecosystems, they should be controlled in a humane manner.

Your Committee recognizes that Hawaii's environment is unique and that native ecosystems need to be protected from the unwanted introduction of alien plants and animals.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57 and recommends that it be referred to the Committee on Finance.

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

SCRep. 809 Energy and Environmental Protection on H.R. No. 50

The purpose of this measure is to urge the United States Government to reauthorize and strengthen the Federal Endangered Species Act. This measure expresses the concern of the State legislature to continue the protection of threatened or endangered species throughout the United States.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Natural Resources Defense Council, Sierra Club Legal Defense Fund, National Audubon Society, Citizens for Jobs and the Environment, Ka Lahui, National Rainbow Coalition Inc., Halawa Coalition, Institute for a Sustainable Future, Conservation Council for Hawaii, Hawaii's Thousand Friends, Hanauma Bay Education Program, Life of the Land, Hawaii Green Party, and Animal Rights Hawaii. Testimony against this measure was submitted by the Hawaii Sugar Planter's Association.

Your Committee agreed with the majority of testimony that Hawaii should send a strong message to the Federal Government, to continue to uphold the statutes outlined in the Federal Endangered Species Act. Your Committee has amended this resolution by:

- 1) Clarifying the 6th WHEREAS claim; and
- 2) Re-phrasing the BE IT RESOLVED claim to urge that full expenditure of funds be set aside for Section 6 grants-to-states.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 50, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 50, H.D. 1.

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

SCRep. 810 Energy and Environmental Protection on H.C.R. No. 59

The purpose of this concurrent resolution is to urge the United States Government to reauthorize and strengthen the Federal Endangered Species Act. This measure expresses the concern of the State legislature to continue the protection of threatened or endangered species throughout the United States.

Your Committee received testimony in support of this concurrent resolution from the Department of Land and Natural Resources, the Natural Resources Defense Council, Sierra Club Legal Defense Fund, National Audubon Society, Citizens for Jobs and the Environment, Ka Lahui, National Rainbow Coalition, Inc., Halawa Coalition, Institute for a Sustainable Future, Conservation Council for Hawaii, Hawaii's Thousand Friends, Hanauma Bay Educational Program, Life of the Land, Hawaii Green Party, and Animal Rights Hawaii. Testimony against this measure was submitted by the Hawaii Sugar Planter's Association.

Your Committee agreed with the majority of testimony that Hawaii should send a strong message to the Federal Government, to continue to uphold the statutes outlined in the Federal Endangered Species Act. Your Committee has amended this concurrent resolution by:

- 1) Clarifying the 6th WHEREAS clause; and
- 2) Re-phrasing the BE IT RESOLVED clause to urge that full expenditure of funds be set aside for Section 6 grants-to-states. Also recommended amending the concurrent resolution to mention that forest watersheds are vital to native Hawaiian species.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 59, H.D. 1.

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

SCRep. 811 Higher Education and the Arts and Health on H.R. No. 106

The purpose of this resolution is to request that the University of Hawaii provide health insurance coverage for instructors in its New Intensive Course in English (NICE) and Hawaii English Language Program (HELP) programs.

Testimony in favor of this Resolution was received from the Department of English as a Second Language at the University of Hawaii, the University of Hawaii Professional Assembly, and a large number of present and former instructors in the NICE and HELP programs.

Testimony in opposition was received from the University of Hawaii's Director of Personnel Management and the Office of the Dean of Summer Session.

Upon consideration, your Committees have amended the resolution by:

- (1) Clarifying that the University's current hiring contracts are not intended to deny health benefits to employees;
- (2) Adding a requirement that the University report its findings on this issue to the Legislature at least 20 days before the convening of the Regular Session of 1994; and
- (3) Including a requirement for an interim report to the Legislature by September 1993.

Your Committees would like to express their intention that the University explore all possible options to provide health insurance coverage for the NICE and HELP instructors, including altering the contract period to qualify them for coverage, placing the program in a different department at the University, and suggesting changes that may be required in current law.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 106, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 106, H.D. 1.

Signed by all members of the Committees except Representatives Apo, Hagino, D. Ige, M. Ige and Taniguchi.

SCRep. 812 Higher Education and the Arts and Health on H.C.R. No. 109

The purpose of this resolution is to request that the University of Hawaii provide health insurance coverage for instructors in its New Intensive Course in English (NICE) and Hawaii English Language Program (HELP) programs.

Testimony in favor of this Resolution was received from the Department of English as a Second Language at the University of Hawaii, the University of Hawaii Professional Assembly, and a large number of present and former instructors in the NICE and HELP programs.

Testimony in opposition was received from the University of Hawaii's Director of Personnel Management and the Office of the Dean of Summer Session.

Upon consideration, your Committees have amended the concurrent resolution by:

- (1) Clarifying that the University's current hiring contracts are not intended to deny health benefits to employees;
- (2) Adding a requirement that the University report its findings on this issue to the Legislature at least 20 days before the convening of the Regular Session of 1994; and
- (3) Including a requirement for an interim report to the Legislature by September 1993.

Your Committees would like to express their intention that the University explore all possible options to provide health insurance coverage for the NICE and HELP instructors, including altering the contract period to qualify them for coverage, placing the program in a different department at the University, and suggesting changes that may be required in current law.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 109, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 109, H.D. 1.

Signed by all members of the Committees except Representatives Apo, Hagino, D. Ige, M. Ige and Taniguchi.

SCRep. 813 Tourism on H.R. No. 76

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to develop a new forecasting model for tourism that will be updated regularly.

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

Your Committee finds that a regularly updated tourism forecast would help government plan for future infrastructure needs, land use and zoning requirements, and human resource needs, and would give an economic basis for future plans of private businesses and other organizations, in accord with the mission of the Department of Business, Economic Development and Tourism.

Your Committee revised the resolution by:

1. Removing the paragraph referring to concern about the obsolescence of the "M-K Series Projections";
2. Removing the reference to the prediction of a more probable scenario of demand; and
3. Changing "after consultation" to "in conjunction" in the list of organizations working on the report;
4. Adding the University of Hawaii School of Travel Industry Management to the organizations contributing to the report and receiving certified copies; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 76, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 76, H.D. 1.

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

SCRep. 814 Tourism on H.C.R. No. 78

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to develop a new forecasting model for tourism that will be updated regularly.

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

Your Committee finds that a regularly updated tourism forecast would help government plan for future infrastructure needs, land use and zoning requirements, and human resource needs, and would give an economic basis for future plans of private businesses and other organizations, in accord with the mission of the Department of Business, Economic Development and Tourism.

Your Committee revised the concurrent resolution by:

1. Removing the paragraph referring to concern about the obsolescence of the "M-K Series Projections";

2. Removing the reference to the prediction of a more probable scenario of demand; and
3. Changing "after consultation" to "in conjunction" in the list of organizations working on the report;
4. Adding the University of Hawaii School of Travel Industry Management to the organizations contributing to the report and receiving certified copies; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 78, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 78, H.D. 1.

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

SCRep. 815 Housing on S.B. No. 1680

The purpose of this bill is to identify the housing projects that may be constructed, renovated, improved, and completed by the Housing Finance and Development Corporation (HFDC) under Act 15, Session Laws of Hawaii 1988, despite that Act's scheduled repeal on April 20, 1993.

Your Committee received testimony on this measure from the HFDC and the Hawaii Developers' Council. The HFDC suggested, among other things, that the measure be broadened to extend Act 15 to additional projects certified for exemption from county land use, zoning, and planning. The Hawaii Developers' Council recommended that the measure be amended to delay the repeal of Act 15 for one additional year to allow the development of creative housing programs.

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

- (1) Replacing its contents with language from H.B. No. 1897, H.D. 1 (1993), which delays the repeal of Act 15 for one additional year; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs in the form attached hereto as S.B. No. 1680, S.D. 2, H.D. 1.

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

SCRep. 816 Economic Development and Business Concerns on S.B. No. 1367

The purpose of this bill is to eliminate the requirement that an applicant must have been turned down by a private lending institution before becoming eligible for aid under the State Disaster Loan Program.

Favorable testimony on this bill was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that deletion of this requirement will clarify the intent of the program, which is to assist applicants who are unable to repair or restore their homes or businesses with their own resources.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1367 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 817 Human Services on S.B. No. 539

The purpose of this bill is to require persons in need of public assistance to work on public projects.

Testimony from a graduate student in the School of Social Work at the University of Hawaii was received in support of this bill. Testimony was also received in opposition to this bill by the Department of Human Services and the Committee on Welfare Concerns.

Your Committee was informed that under Section 346-31, Hawaii Revised Statutes, General Assistance recipients are currently referred to the Temporary Labor Force program. Approximately 87% of these General Assistance recipients receive Food Stamp benefits in addition to their public assistance grants. The Food Stamp regulations require that able-bodied recipients participate in the Food Stamp Employment and Training activities, which may include: (1) job search; (2) vocational training; (3) work experience; or (4) GED programming. Furthermore, approximately 85% of General Assistance recipients are disabled. Your Committee was also informed that on Oahu, the Food Stamp Employment and Training Program will test a Job Opportunities and Basic Skills Conformance Demonstration Project, which will expand activities to include: (1) occupational training; (2) two year certificate programs; and (3) assignment to public work projects.

It is also noted that the director of the Department of Human Services indicated that the majority of persons on public assistance do not wish to remain dependent on such services. Ultimately, it is the intent of the Department of Human Services to get the recipient of public assistance to work, and to provide opportunities to pursue educational or training programs that will lead to financial self-sufficiency.

Upon further consideration, your Committee finds that passage of this bill will not significantly enhance the existing welfare system, and will not be cost effective. Thus, your Committee has amended this measure by deleting its substantive portion, and inserting the language included in House Bill 1758, relating to family centers, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out S.B. No. 539, S.D. 2, as amended herein, and recommends that it be recommitted to the Committee on Human Services, for the purpose of holding a public hearing thereon, in the form attached hereto as S.B. No. 539, S.D. 2, H.D. 1.

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

SCRep. 818 Housing on H.C.R. No. 66

The purpose of this concurrent resolution is to urge the Hawaiian Homes Commission to revise its administrative rules to exempt Puukapu, Island of Hawaii, from all State and County permit and zoning requirements so that homesteaders in Puukapu can use creative planning and home building methods to develop their lots.

Your Committee heard testimony from the Department of Hawaiian Home Lands (DHHL) supporting self-help housing to expedite projects such as Puukapu, and a Puukapu pastoral lot awardee who is in favor of the DHHL's formulating an alternative set of development standards for Puukapu.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Requesting that the Department, by rule, allow an exemption from state and county permits and zoning requirements for Puukapu pastoral lots only;
- (2) Stipulating that the Puukapu exemption be treated as a pilot project;
- (3) Requesting a preliminary draft of the administrative rules revision necessary to implement the pilot project by September 15, 1993;
- (4) Requesting an update on the status of the Puukapu pilot project and a final draft of the proposed revisions to the administrative rules before the convening of the Regular Session of 1994;
- (5) Requesting that the DHHL provide the Puukapu awardees with the services of a non-profit consultant with housing expertise in helping develop the Puukapu lots; and
- (6) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66, as amended herein, and recommends that it be referred to the Committee on Hawaiian Affairs in the form attached hereto as H.C.R. No. 66, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, Peters and O'Kieffe.

SCRep. 819 Housing on H.R. No. 61

The purpose of this resolution is to urge the Hawaiian Homes Commission to revise its administrative rules to exempt Puukapu, Island of Hawaii, from all State and County permit and zoning requirements so that homesteaders in Puukapu can use creative planning and home building methods to develop their lots.

Your Committee heard testimony from the Department of Hawaiian Home Lands (DHHL) supporting self-help housing to expedite projects such as Puukapu, and a Puukapu pastoral lot awardee who is in favor of the DHHL's formulating an alternative set of development standards for Puukapu.

Accordingly, your Committee has amended this resolution by:

- (1) Requesting that the Department, by rule, allow an exemption from state and county permits and zoning requirements for Puukapu pastoral lots only;
- (2) Stipulating that the Puukapu exemption be treated as a pilot project;
- (3) Requesting a preliminary draft of the administrative rules revision necessary to implement the pilot project by September 15, 1993;
- (4) Requesting an update on the status of the Puukapu pilot project and a final draft of the proposed revisions to the administrative rules before the convening of the Regular Session of 1994;

- (5) Requesting that the DHHL provide the Puukapu awardees with the services of a non-profit consultant with housing expertise in helping develop the Puukapu lots; and
- (6) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61, as amended herein, and recommends that it be referred to the Committee on Hawaiian Affairs in the form attached hereto as H.R. No. 61, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, Peters and O'Kieffe.

SCRep. 820 Agriculture and Transportation on H.R. No. 162

The purpose of this resolution is to request the Department of Agriculture (DOA) to carry out measures necessary to improve the State's system of inspecting incoming passenger flights and cargo shipments for unwanted plants and animals without unduly inconveniencing individuals entering the State.

During discussion, your Committees discussed ways to strengthen the enforcement and prevention of restricted plants and animals from entering the State, which included ways to:

- (1) Improve the State's system of inspecting incoming passenger flights and cargo shipments for illegal plants and animals;
- (2) Enhance efforts to educate travellers, returning residents, and the public at-large about the penalties and fines for transporting illegal plants and animals into the State;
- (3) Inform travelers about the importance of filling out their agricultural declaration forms;
- (4) Encourage the airline industry to ensure that all passengers fill out their agricultural declaration form and return their completed form to airline personnel;
- (5) Increase the interception of illegal plants and animals from entering the State; and
- (6) Prevent the transport of illegal plants and animals through aggressive public educational enforcement measures and other promotional efforts.

The DOA testified in support of the resolution.

Upon careful consideration, your Committees have amended this resolution by:

- (1) Specifying that the DOA carry out aggressive educational enforcement and other measures to improve the State's system of inspecting incoming passenger flights and cargo shipments for unwanted plants and animals; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the records of votes of the members of your Committees on Agriculture and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.R. No. 162 as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 162, H.D. 1.

Signed by all members of the Committees except Representatives Hagino, Tam and Yonamine.

SCRep. 821 Housing on S.B. No. 1824

The purpose of this bill is to, among other things, provide indemnification to the individual counties for injuries or damage, not arising from negligent maintenance activities, involving housing developed under Act 15, Session Laws of Hawaii.

Testimony was received in support of the intent of the measure from a councilperson from the Maui County Council and the Housing Finance and Development Corporation (HFDC).

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

- (1) Limiting State indemnification of the counties for 30 years from the date of dedication of the public facility or project;
- (2) Providing that the State shall not hold the county harmless, shall not defend the county, and shall not indemnify the county for injury, death, or property damage due to negligent maintenance or negligent lack of maintenance by the county or arising out of routine maintenance by the county of any of the public facilities when the public facilities and housing projects are built in accordance with construction documents for the public facilities which are in compliance with the county standards;

- (3) Allowing HFDC to develop standards for use or as a guide in the state and county review process if no state or county standards exist;
- (4) Defining "Act 15 nonconforming" as it pertains to lots, buildings and structures developed under Act 15 which are certified for development by HFDC and have been included in the final plans and specifications of the project determined by HFDC to meet the requirements of this Act;
- (5) Clarifying the allowance for reconstructing an Act 15 nonconforming building or structure;
- (6) Stipulating that HFDC shall give notice to the county when certifying a project for development under the Act, and
- (7) Requiring that a notice of the Land Use Commission hearing on the petition shall be published not less than fifteen days in advance of that hearing.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1824, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs in the form attached hereto as S.B. No. 1824, S.D. 1, H.D. 1.

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

SCRep. 822 Housing on S.B. No. 1430

The purpose of this bill is to amend section 515-4, Hawaii Revised Statutes, to permit an exemption from the age discrimination protections in the real estate transaction law for housing constructed for older persons pursuant to federal law.

Supporting testimony was received by the Hawaii Civil Rights Commission and an attorney.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1430 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 823 Housing and Human Services on H.R. No. 20

The purpose of this resolution is to request the Hawaii Housing Authority (HHA) to work with other State agencies to create a comprehensive package of housing and support services for the homeless.

Supporting testimony was received by the Hawaii Housing Authority.

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

- (1) Deleting the paragraph defining the homeless;
- (2) Requesting HHA to include input from the counties;
- (3) Requesting that HHA evaluate existing State housing and social service programs for the homeless in developing the comprehensive package; and
- (4) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 20, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 20, H.D. 1.

Signed by all members of the Committees except Representatives Duldulao, Ihara and Peters.

SCRep. 824 Legislative Management on H.C.R. No. 142

The purpose of this concurrent resolution is to request the Legislative Auditor to study the feasibility of replacing government-owned passenger motor vehicles with a mileage reimbursement system of privately-owned vehicles.

Testimony in support of this measure was submitted by the Department of Accounting and General Services and a private citizen. The State Auditor submitted comments, noting that generally the Office of the Auditor examines and audits existing or past policies and practices whereas the Legislative Reference Bureau's studies deal with prospective issues and policies.

Therefore, upon further consideration, your committee has amended this concurrent resolution by:

- (1) Changing the title to read:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FEASIBILITY OF REPLACING THE PURCHASE AND MAINTENANCE OF GOVERNMENT-OWNED PASSENGER MOTOR VEHICLES WITH A MILEAGE REIMBURSEMENT SYSTEM OF PRIVATELY-OWNED VEHICLES IN GOVERNMENT SERVICE"; and

- (2) Replacing all references to the "Auditor" with the "Legislative Reference Bureau."

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 142, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 142, H.D. 1.

Signed by all members of the Committee except Representatives Ihara, Souki and O'Kieffe.

SCRep. 825 Tourism on H.R. No. 77

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to conduct a study of nature-based tourism, or "ecotourism" in Hawaii, to include the following:

1. The development of an official definition of ecotourism to be used by state and county governments;
2. An ecotourism policy which would coordinate ecotourism-related activities with state and county land use policies;
3. An identification of suitable ecotourism activities and locations on an island-by-island basis;
4. The development of specifications for a state ecotourism plan; and
5. Recommendations concerning possible pilot projects for private or public development and their related costs.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, the University of Hawaii School of Travel Industry Management, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee finds that a stronger Hawaii presence in the ecotourism market could assist the recovery of Hawaii's economy, given Hawaii's advantage in having a beautiful natural environment, although care must be taken to ensure that this resource is not over-exploited.

Your Committee revised the resolution by:

1. Providing for the development of a state ecotourism plan, rather than development of specifications for a plan;
2. Restructuring the ecotourism study, placing the ecotourism policy to coordinate state and county land use, identification of suitable activities and locations, and recommended pilot projects within the overall state ecotourism plan, rather than as separate items in the study;
3. Adding the Office of State Planning to the agencies assisting in the study and receiving certified copies of the resolution; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

In addition to the private or public development pilot projects, your Committee finds that joint public/private ecotourism projects should also be encouraged.

Furthermore, your Committee finds that the parties responsible for developing the state ecotourism plans should also consult other appropriate environmental organizations.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 77, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 77, H.D. 1.

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

SCRep. 826 Tourism on H.C.R. No. 79

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to conduct a study of nature-based tourism, or "ecotourism" in Hawaii, to include the following:

1. The development of an official definition of ecotourism to be used by state and county governments;
2. An ecotourism policy which would coordinate ecotourism-related activities with state and county land use policies;

3. An identification of suitable ecotourism activities and locations on an island-by-island basis;
4. The development of specifications for a state ecotourism plan; and
5. Recommendations concerning possible pilot projects for private or public development and their related costs.

Your Committee received testimony in support of this concurrent resolution from the Department of Business, Economic Development and Tourism, the University of Hawaii School of Travel Industry Management, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee finds that a stronger Hawaii presence in the ecotourism market could assist the recovery of Hawaii's economy, given Hawaii's advantage in having a beautiful natural environment, although care must be taken to ensure that this resource is not over-exploited.

Your Committee revised the concurrent resolution by:

1. Providing for the development of a state ecotourism plan, rather than development of specifications for a plan;
2. Restructuring the ecotourism study, placing the ecotourism policy to coordinate state and county land use, identification of suitable activities and locations, and recommended pilot projects within the overall state ecotourism plan, rather than as separate items in the study;
3. Adding the Office of State Planning to the agencies assisting in the study and receiving certified copies of the concurrent resolution; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

In addition to the private or public development pilot projects, your Committee finds that joint public/private ecotourism projects should also be encouraged.

Furthermore, your Committee finds that the parties responsible for developing the state ecotourism plans should also consult other appropriate environmental organizations.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 79, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 79, H.D. 1.

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

SCRep. 827 Tourism on H.R. No. 78

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to conduct a study of the feasibility of developing a health tourism industry in Hawaii, which includes organized fitness programs for locals and visitors at resorts or hotel complexes, such as fitness regimens, health seminars, special diets and other amenities, and may also include accommodations for elderly or recuperating patients.

The study will include a survey of resources, identification of possible sites and requirements for necessary infrastructure and facilities for a possible pilot program to assist the development of new health tourism organizations.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, the University of Hawaii School of Travel Industry Management, and the Hawaii Hotel Association.

Your Committee finds that Hawaii's warm climate, ocean resources, and existing recreational sites and facilities offer excellent opportunities for sports and health activities.

Your Committee revised the resolution by:

1. Adding enhancement of health, in addition to maintenance of health, to the description of the main purpose of health tourism patrons;
2. Adding references to other facilities, in addition to hotels and resorts, to reflect the fact that the health tourism business includes more than just resorts and hotels;
3. Adding a definition of health tourism to the scope of the study;
4. Adding the Department of Land and Natural Resources to the agencies helping with the study; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 78, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 78, H.D. 1.

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

SCRep. 828 Tourism on H.C.R. No. 80

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to conduct a study of the feasibility of developing a health tourism industry in Hawaii, which includes organized fitness programs for locals and visitors at resorts or hotel complexes, such as fitness regimens, health seminars, special diets and other amenities, and may also include accommodations for elderly or recuperating patients.

The study will include a survey of resources, identification of possible sites and requirements for necessary infrastructure and facilities for a possible pilot program to assist the development of new health tourism organizations.

Your Committee received testimony in support of this concurrent resolution from the Department of Business, Economic Development and Tourism, the University of Hawaii School of Travel Industry Management, and the Hawaii Hotel Association.

Your Committee finds that Hawaii's warm climate, ocean resources, and existing recreational sites and facilities offer excellent opportunities for sports and health activities.

Your Committee revised the concurrent resolution by:

1. Adding enhancement of health, in addition to maintenance of health, to the description of the main purpose of health tourism patrons;
2. Adding references to other facilities, in addition to hotels and resorts, to reflect the fact that the health tourism business includes more than just resorts and hotels;
3. Adding a definition of health tourism to the scope of the study;
4. Adding the Department of Land and Natural Resources to the agencies helping with the study; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 80, H.D. 1.

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

SCRep. 829 Energy and Environmental Protection on H.R. No. 59

The purpose of this resolution is to encourage the State of Hawaii to develop tax incentives to encourage recycling.

Testimony in support of this resolution was presented by the Department of Business, Economic Development, and Tourism, Hawaii Island Chamber of Commerce, and the Hawaii Rainbow Coalition. Testifiers noted that fourteen other states now have tax incentives to encourage recycling that include sales tax exemptions, rebates, and income tax credits.

Testimony in opposition to this resolution was provided by the Department of Health and the Department of Taxation. Testifiers were concerned that the enactment of the proposed recycling tax incentives will benefit a relatively small group of taxpayers.

Your Committee questioned the impact of this tax incentive on current and proposed county recycling efforts. The Department of Health said that there would be no loss of revenue. Your Committee also questioned the language of having the Department of Taxation encourage recycling, while the Department of Business, Economic Development, and Tourism has provided supporting testimony, and houses the expertise on recycling.

Your Committee questioned the impact that this resolution would have on county recycling efforts. According to the Department of Health, tax incentives would generally support county efforts by providing financial incentives to begin recycling programs. Your Committee also deliberated over the question of the most appropriate department to undertake this study. This was a concern, since the Department of Taxation opposed passage of this measure even though it is identified in the resolution as the lead department in this undertaking. Upon further questioning, the Department of Business, Economic Development, and Tourism agreed to undertake the study.

Accordingly, your Committee has amended this resolution by replacing references to the Department of Taxation with the Department of Business, Economic Development, and Tourism, in title, the BE IT RESOLVED clause, and BE IT FURTHER RESOLVED clauses; and

Inserting an 8th WHEREAS clause that describes the advantages of having the Department of Business, Economic Development, and Tourism undertake the study.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 59, H.D. 1.

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

SCRep. 830 Energy and Environmental Protection on H.C.R. No. 63

The purpose of this concurrent resolution was presented by: the Department of Business, Economic Development, and Tourism, the Hawaii Island Chamber of Commerce, and the Hawaii Rainbow Coalition. Testifiers noted that fourteen other states now have tax incentives to encourage recycling that include sales tax exemptions, rebates and income tax credits.

Testimony in opposition to this concurrent was provided by the Department of Health, and the Department of Taxation. Testifiers were concerned that the enactment of proposed recycling tax incentives will benefit a relatively small group of taxpayers.

Your Committee questioned the impact of this tax incentive on current and proposed county recycling efforts. The Department of Health said that there would be no loss of revenue. Your Committee also questioned the language of having the Department of Taxation encourage recycling, when the Department of Business, Economic Development, and Tourism has provided supporting testimony and houses the expertise on recycling.

Your Committee questioned the impact that this concurrent resolution would have on county recycling efforts. According to the Department of Health, tax incentives would generally support county efforts by providing financial incentives to begin recycling programs. Your Committee also deliberated over the question of the most appropriate department to undertake this study. This was a concern, since the Department of Taxation opposed passage of this measure even though it is identified in the concurrent resolution as the lead department in this undertaking. Upon further questioning, the Department of Business, Economic Development, and Tourism agreed to undertake the study.

Accordingly, your Committee has amended this concurrent resolution by replacing references to the Department of Taxation with the Department of Business, Economic Development, and Tourism in title, the BE IT RESOLVED clause, and BE IT FURTHER RESOLVED clauses; and inserting an 8th WHEREAS clause that describes the advantages of having the Department of Business, Economic Development, and Tourism undertake the study.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 63, H.D. 1.

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

SCRep. 831 Higher Education and the Arts on S.B. No. 1466

The purpose of this bill is to bring the provisions of the State Higher Education Loan Fund into line with the provisions of the federal Perkins Loan Program by expanding eligibility requirements to include half-time students and by setting lending limits equivalent to the federal limits.

The University of Hawaii testified in favor of the bill.

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

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1466, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Arakaki, D. Ige and Taniguchi.

SCRep. 832 Higher Education and the Arts on S.B. No. 1672

The purpose of this bill is to make interest rates under the State Higher Education Loan Fund equal to the interest rates charged by the federal Perkins Loan Program and to permit the university to charge late fees and reasonable collection costs on delinquent loans.

The University of Hawaii testified in favor of the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1672 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Arakaki, D. Ige and Taniguchi.

SCRep. 833 Housing and Human Services on H.C.R. No. 2

The purpose of this concurrent resolution is to request the Hawaii Housing Authority (HHA) to work with other State agencies to create a comprehensive package of housing and support services for the homeless.

Supporting testimony was received by the Hawaii Housing Authority.

Upon careful consideration, your Committee has amended the concurrent resolution by:

- (1) Deleting the paragraph defining the homeless;
- (2) Requesting HHA to include input from the counties;
- (3) Requesting that HHA evaluate existing State housing and social service programs for the homeless in developing the comprehensive package; and
- (4) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 2, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 2, H.D. 1.

Signed by all members of the Committees except Representatives Duldulao, Ihara and Peters.

SCRep. 834 Housing on S.B. No. 269

The purpose of this bill is to transfer the functions and authority of Kama'aina Hale from the Housing Finance and Development Corporation to the Hawaii Housing Authority.

Your Committee has amended the bill by inserting an effective date of July 1, 1993.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 269, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 835 Housing on S.B. No. 1737

The purpose of this bill is to identify the sections of the federal Internal Revenue Code that corporations and associations must meet in order to qualify as a nonprofit corporation under the Rental Housing Trust Fund law. This bill also allows the commission to use for administrative expenses, an amount from the trust fund set by the commission and authorized by the Legislature. This bill also clarifies provisions pertaining to the composition and selection of Rental Housing Trust Fund commissioners.

Your Committee has amended this bill by:

- (1) Inserting an amount authorized to fund the Rental Housing Trust Fund (RHTF) for the fiscal years of 1993-94 and 1994-95 for administrative expenses incurred by the commission;
- (2) Inserting HB1715 H.D. 1 that requires the Governor to appoint an interim Rental Housing Trust Fund commission. The members of the interim commission shall serve as the members of the commission until the Governor appoints their replacements;
- (3) Inserting HB 1170 H.D. 2 that: (a) establishes tenant trust accounts into which shall be deposited all tenant deposits received pursuant to Section 521-44, Hawaii Revised Statutes, and (b) requires the remittance of all interest and dividends earned on the average monthly balance of a tenant trust account, less reasonable service fees, to the Rental Housing Trust Fund established by Chapter 201F, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1737, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1737, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 836 Agriculture on S.B. No. 652

The purpose of this bill is to appropriate funds to implement low-input sustainable agriculture research, education, and demonstration projects in cooperation with the Hawaii Farm Bureau Federation.

Your Committee received supporting testimony from the Hawaii Farm Bureau, the President of the Hawaii Avocado Association, Papaya Orchards of Hawaii, Inc., the Hawaii Forest Industry Association, Environmental Planning Associates, Inc., and three concerned citizens. The Governor's Agriculture Coordinating Committee testified in support of the intent of the bill. Your Committee also received written comments from the University of Hawaii College of Tropical Agriculture and Human Resources.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting the appropriation sum of \$95,000 for each year of the 1993-1995 fiscal biennium;
- (2) Substituting the "Governor's Agriculture Coordinating Committee" as the expending agency in lieu of the "Office of the Governor" in Section 3 of the bill for consistency with other provisions delineated; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 652, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 652, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tam.

SCRep. 837 Agriculture on S.B. No. 649

The purpose of this bill is to establish a predator augmentation pilot project to control the diamondback moth. Specifically, this bill appropriates funds for the monitoring, rearing, and releasing of parasites for the diamondback moth.

The augmentation pilot project will be a joint venture of the Department of Agriculture (DOA), the College of Tropical Agriculture and Human Resources (CTAHR) of the University of Hawaii, the Hawaii Farm Bureau Federation (HFBF), and the Hawaiian Sugar Planters' Association (HSPA). According to DOA testimony, HFBF will coordinate the project; HSPA will monitor, rear, and release the natural enemies of the diamondback moth; CTAHR will conduct training and education classes with participating farmers; and DOA will provide regulatory oversight, in-kind technical support for rearing, and assist CTAHR with farmer education.

Your Committee received testimony in support of the measure from the DOA and HFBF. Your Committee also received written comments from CTAHR. In its testimony, CTAHR indicated that while it is willing to contribute its expertise to the joint effort with DOA, HFBF, and HSPA, it cannot support additional appropriations to the DOA because of the State's current economic conditions.

Your Committee has amended the bill by inserting the following appropriation sums for the monitoring, rearing, and releasing of parasites for the diamondback moth:

- (1) \$185,000 for fiscal year 1993-1994; and
- (2) \$180,000 for fiscal year 1994-1995.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 649, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 649, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tam.

SCRep. 838 Agriculture on S.B. No. 1316

The purpose of this bill is to discourage the theft of crops by subjecting violators to penalties associated with a Class C felony.

Theft of agricultural products, farm equipment, and crops have resulted in significant financial losses to farmers and to others within the agricultural community. Agricultural theft also results in lost revenues for the State.

The Department of Agriculture, the Office of the Prosecuting Attorney for the County of Hawaii, and the Hawaii Farm Bureau Federation testified in support of this measure.

Noting the grave consequences of agricultural theft to the community at-large, your Committee has amended the bill by:

- (1) Expanding the application of the penalty provisions to include agricultural equipment and supplies by adding a new definition of "agricultural equipment, supplies, or product" to Section 708-800, Hawaii Revised Statutes HRS; and
- (2) Making the penalty for theft of agricultural equipment, supplies, or product mandatory.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1316, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1316, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 839 Human Services on S.B. No. 1420

The purpose of this Act is to appropriate moneys to prevent the reduction or discontinuance of financial assistance payments to needy individuals and families under the payment programs, Aid to Families with Dependent Children (AFDC), General Assistance (GA), and Aid to the Aged, Blind, and Disabled (AABD).

Testimony from the Department of Human Services and the Committee on Welfare Concerns was received in strong support of this measure.

Your Committee finds that the payment programs have been experiencing escalating costs due to:

- (1) an increase in caseload;
- (2) an increase in the unemployment rate;
- (3) an annual increase in the standard of assistance averaging approximately 3-5% each year; and
- (4) a decrease in the federal financial participation rate.

Without this emergency appropriation of \$6,175,152 in general funds, and \$4,736,586 in federal funds, the payment programs will deplete their funds at the end of March, 1993.

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

- (1) substituting \$6,175,152 (which is a more accurate figure) for \$10,911,738 on page 1, line 9;
- (2) substituting 0.198 for 0.3510 on page 1, line 9, as a result of the amendment described in (1); and
- (3) making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1420, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1420, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 840 Human Services on S.B. No. 1713

The purpose of this Act is to prevent the reduction or discontinuance of direct services by the medical assistance program, also known as the Medicaid program.

Testimony from the Department of Human Services, the Healthcare Association of Hawaii, the Hawaii Long Term Care Association, and the Committee on Welfare Concerns was received in strong support of this measure.

Your Committee finds that the Medicaid program has been experiencing escalating costs due to:

- (1) an increase in the Medicaid recipient population;
- (2) higher utilization of health care services;
- (3) adoption of federal service mandates;
- (4) Medicaid eligibility expansion;
- (5) a reduction of matching federal funds;
- (6) payment rates reconsideration; and
- (7) double digit health care inflation rates.

Without an emergency appropriation of \$35,250,924 in general funds, and \$12,336,347 in federal funds, the Medicaid program will make its final payment on April 15, 1993.

Upon further consideration, your Committee has amended this bill by making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1713, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1713, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 841 Education on S.B. No. 1582

The purpose of this bill is to provide an unspecified amount of funding for salary adjustments made by the Educational Officer Classification Appeals Board to the Educational Officer Classification/Compensation Plan.

Your Committee received testimony in favor of this bill from the Department of Education and the Hawaii Government Employees Association.

Upon consideration, your Committee has amended the bill by changing the appropriation amount for fiscal years 1993-1994 and 1994-1995 to the nominal sum of \$1 for the purpose of continued discussion.

The foundation of any fair and equitable compensation plan is equal pay for equal work. The Department of Education and the Board of Education must pursue re-pricing of all educational officer positions, and evaluate them in terms of equitable responsibility. Positions that are under-valued should be priced higher, and positions that are over-valued should be priced lower.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1582, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1582, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell, Taniguchi and O'Kieffe.

SCRep. 842 Education on S.B. No. 1735

The purposes of this bill as received are to establish:

- (1) The Fee for Enhanced Services 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 "Fee for Enhanced Services Revolving Fund" into which monies collected from the enhanced services program shall be deposited.

Your Committee received testimony in favor of this bill from the State Librarian and a concerned citizen. The State Librarian did express some concern, however, about the provision of the bill requiring that fees for services be waived for those not able to pay.

While continuing to provide library services to those who cannot pay the fee is a worthy goal, your Committee is concerned about how eligibility for a waiver of fees would be determined. Your Committee believes that further discussion of the waiver of fees issue is merited.

Upon consideration, your Committee has amended the bill by:

- (1) Deleting the provision requiring that fees be waived for those not able to pay;
- (2) Replacing the "Fee for Enhanced Service Revolving Fund" with the "Library Fee for Enhanced Services Special Fund" to receive monies from the fees charged;
- (3) Requiring that expenditures from the special fund to provide enhanced services be posted in a prominent place in each library;
- (4) Removing the sunset provision; and
- (5) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1735, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1735, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell and O'Kieffe.

SCRep. 843 Education on S.B. No. 1741

The purpose of this bill is to require the Department of Education to establish and maintain the price of the school lunch to be set in proportion to the cost of preparing the school lunch.

Testimony was heard by the Department of Education in support of this bill. Your Committee ammended this bill by rounding the price of the school lunch to the nearest 25 cents.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1741, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1741, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell, Taniguchi and O'Kieffe.
(Representative Shon voted no.)

SCRep. 844 Education on S.B. No. 844

The purpose of this bill is to appropriate funds to provide full-time athletic trainers in public high schools.

Your Committee received testimony in favor of this bill from the Department of Education, the Athletic Training Curriculum Director at the University of Hawaii, an orthopedic surgeon practicing in Hawaii, a parent of a student athlete, and concerned citizens.

Upon careful consideration, and mindful of current State budget constraints, your Committee has amended the bill by:

- (1) Changing the program to a pilot program, and appropriating funds for six athletic trainer positions under the pilot program;
- (2) Requiring a dollar-for-dollar match from the Department of Education;
- (3) Specifying that the athletic trainers funded by this Act will also provide basic first aid training to coaches, assistant coaches, and other school personnel who may be involved in student athletics; and
- (4) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 336, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 336, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell and O'Kieffe.

SCRep. 845 Education on S.B. No. 417

The purpose of this bill is to appropriate funds to hire a liaison resource teacher to assist teachers and their students to utilize more effectively the educational facilities and resources of the Astronaut Ellison S. Onizuka Space Center and to facilitate the use of space education as a catalytic tool to enrich the curriculum in the schools.

Testimony was heard in support of this bill and your Committee has amended the bill by changing the appropriation amount to the nominal sum of \$1 for the purpose of continued discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 417, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 417, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell and O'Kieffe.

SCRep. 846 Human Services on S.B. No. 1643

The purpose of this bill is to appropriate funds for the Families Together Initiative, a comprehensive, multi-agency effort to provide intensive, family-centered and home-based services designed to reduce the number of out-of-home placement of children. The initiative is based on the belief that it is usually best for children to grow up in their own families, and that most families can learn to build upon their own strengths, and handle their own problems. The funds appropriated will be used for the training of individuals, who will be providing the intensive counseling therapy for the participants of the Hawaii Families Together Initiative.

Testimony from the Department of Human Services, the Department of Education, the Office of Children and Youth, the Judiciary, Parents and Children Together, and individual citizens was received in strong support of this measure.

It is noted that the Families Together Initiative is a collaborative effort involving nine State agencies. The goal of this program is to provide family preservation services through intensive in-home counseling. Studies have shown that Hawai'i has three times the national average of children in foster care, and that these children remain in foster care for great lengths of time. The longer these children are in foster care, the greater the risk that they will become unproductive citizens. Approximately thirty states are using this family preservation model, and their experiences show that keeping children in their home can work when there is intensive in-home counseling, and when the family is supported.

Economically, this initiative is extremely cost effective. It is estimated that \$4,142 will be spent in keeping a child at home through the Families Together Initiative. The State now spends \$8,700 per child for foster care, and \$14,000 for group home care. Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1643, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 847 Human Services on S.B. No. 1421

The purpose of this bill is to provide for the establishment of an imprest fund, effective July 1, 1993, designed to provide participants of the Job Opportunities and Basic Skills (JOBS) program with work related or emergency cash assistance. This method of payment is used where usual methods of assistance are not viable.

Testimony from the Department of Human Services and the Committee on Welfare Concerns was received in strong support of this measure.

Your Committee finds that the establishment of an imprest fund would provide the JOBS Program with needed flexibility in meeting the needs of the participants and their families. These needs include expenses such as health care expenses that cannot be covered through Medicaid, and purchase of tools or equipment that would facilitate the participant entering training or accepting an employment position. The inclusion of work-related expenses is important in assuring that individuals in the JOBS program or other work programs begin, or continue, any job training or placement as part of the road to economic self-sufficiency. In addition, this bill will provide statutory authority for the imprest fund, which was temporarily granted by legislative proviso last session through Section 54, Act 296, SLH, 1991 (Budget Act). Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1421 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 848 Housing on S.B. No. 789

The purpose of this bill is to authorize the Housing Finance and Development Corporation to certify for a general excise tax exemption, any developer involved in the planning, design, financing, construction, or sale of affordable housing.

Supporting testimony was received by the Housing Finance and Development Corporation (HFDC), Department of Taxation, Hawaii Developers' Council, Hawaii Association of Realtors, and Land Use Research Foundation of Hawaii.

Your Committee, upon careful consideration, has amended the bill by deleting the provision to provide HFDC with the first right of refusal to purchase all affordable housing units certified for exemption upon resale of any unit by the initial purchaser.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 789, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Pepper, Peters and O'Kieffe.

SCRep. 849 Housing on S.B. No. 612

The purpose of this bill is to allow the Housing Finance and Development Corporation (HFDC) to use funds from the Homes Revolving Fund or the Rental Housing Revolving Fund to contract for the construction and operation of child care, recreational, and other community-wide facilities which are necessary adjuncts to affordable housing projects.

Your Committee received testimony in support of this measure from the Office of Children and Youth; the Department of Housing and Community Development of the City and County of Honolulu; and Seagull Schools, Inc.

The HFDC testified in opposition to the bill because it believes it already has authorization to enter into contracts and use resources from the Homes Revolving Fund for the construction and operation of child care, recreational, and other community-wide facilities. It also confirmed that the Rental Housing Revolving Fund has never been funded and may be repealed this session.

Notwithstanding its opposition to the measure, the HFDC informed your Committee that present plans for an on-site child care facility in the Villages of Kapolei in Ewa, Oahu, will meet only a small percentage of projected child care needs. As existing plans for housing development are implemented, many more child care slots will be needed.

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

- (1) Narrowing and clarifying its scope to focus on the development, construction, and operation of off-site child care facilities which are necessary adjuncts to HFDC affordable housing projects;
- (2) Authorizing the HFDC to use the Dwelling Unit Revolving Fund for the foregoing child care purposes, and deleting all language pertaining to use of the Rental Housing Revolving Fund for such purposes;
- (3) Clarifying that construction under the bill may be financed out of the appropriate revolving fund on a dollar-for-dollar "matching" basis; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 612, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 612, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 850 Judiciary on S.B. No. 208

The purpose of this bill is to eliminate fees and costs, that are deposited with the clerk of court, by parties requesting garnishments.

The Judiciary testified in support of this measure.

Your Committee finds that the present fees charged in circuit and district court do not serve the purposes of compelling parties to file a return or to make an appearance in court. Instead of deleting this section altogether, as the Senate proposes, your Committee believes that the fees should be increased. The Judiciary testified that the problems inherent in the present garnishment fee rates might be rectified by increasing the amount of the fees. Also, your Committee believes that institutions, such as banks, should be more appropriately compensated for performing garnishment services.

Additionally, your Committee finds that the present costs are not cost effective for the Judiciary in terms of the work required for recordkeeping and collection procedures relating to these costs. Thus, these costs should be deleted.

Accordingly, your Committee has amended this measure as follows:

1. Deleted the brackets that repeal this section;
2. Increased the amount of garnishment fees to ten dollars in both circuit and district courts;
3. Deleted the one dollar cost for each copy of the summons and the one dollar cost for each service of the summons for garnishment;
4. Inserted language that this Act does not apply to any proceeding filed prior to its effective date;
5. Made this act take effect on July 1, 1993; and
6. Made technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 208, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 208, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hirono, Menor, Peters and Thielen.

SCRep. 851 Judiciary on S.B. No. 1647

The purpose of this bill is to reassign the chief election officer function from the Lieutenant Governor to an appointed official called the "chief election officer." An elections appointment panel is established in order to select and appoint the chief election officer. Also, an office of elections is created to provide support to the chief election officer. The appointment of the chief election officer is made without regard to chapters 76 and 77, Hawaii Revised Statutes (HRS). The Lieutenant Governor shall transfer his functions and authority as chief election officer to this official effective June 30, 1994.

The Office of the Lieutenant Governor testified in support of this measure. A concerned citizen also testified in support of this measure but requested numerous changes to the bill. The League of Women Voters testified that it had no opposition to this matter.

Your Committee finds that the Legislature previously established a task force to consider the duties of the Lieutenant Governor. This task force was convened in accordance with House Concurrent Resolution No. 299, which was passed during the 1992 Regular Legislative Session. This task force found that, although there are safeguards inherent in the present elections system, because the Lieutenant Governor is an elected official there remains an appearance of possible conflict of interest. As a result, this task force recommended that the Lieutenant Governor transfer the functions and

duties of chief election officer to an appointed, rather than an elected, public official. This bill is a result of that recommendation.

Your Committee has amended this bill as follows:

1. In Section 1, substituted the words "house of representatives" for the word "senate" in subsection (g) on page 5 of the measure.
2. Inserted a new part to the bill, as SECTION 2, that substitutes the words "chief election officer" for the words "lieutenant Governor" in numerous sections of chapter 11, HRS. This is needed to conform those sections with the intent of this bill;
3. Inserted a new part to the bill, as SECTION 4, to accomplish the same purpose as mentioned in the prior paragraph;
4. Renumbered the bill sections as a result of the insertion of the additional sections;
5. Changed this bill to reflect that, although the act shall take effect upon its approval, the section dealing with appropriations shall take effect on July 1, 1993; and
6. Made additional technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1647, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1647, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Peters and Takamine.

SCRep. 852 Judiciary on S.B. No. 219

The purpose of this measure is to increase the number of law clerk positions in the civil and criminal administrative courts as well as the civil and criminal motions courts of the Circuit Court of the First Circuit.

By means of this bill, five additional law clerks positions would be established to serve in the civil and criminal administrative courts as well as the civil and criminal motions courts. Because administrative and judicial duties and responsibilities in these four courts have increased substantially over the past three years, your Committee finds that the additional law clerks would assist these four courts in providing basic operational services, which are necessary for the effective and efficient administration of these courts.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 219, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hirono, Peters and Thielen.

SCRep. 853 Judiciary on S.B. No. 213

The purpose of this bill is to amend section 601-3.5, Hawaii Revised Statutes to establish a revolving fund, in lieu of a special fund, for the statewide Supreme Court Law Library System.

The Judiciary submitted testimony in support of this measure.

Your Committee finds that this amendment will allow the Supreme Court Law Library System to have an immediate, regular, and self-sustaining source of revenue to purchase replacements and enhance library services. The revolving fund would better ensure that lost, stolen, or damaged materials are replaced soon.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 213, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hirono, Peters and Thielen.

SCRep. 854 Judiciary on S.B. No. 1652

The purpose of this bill is to:

- (1) Require the Department of Taxation to provide an opportunity for a qualified individual to register to vote by including a voter registration form with the resident tax return form;
- (2) Modify re-registration procedures; and

- (3) Authorize a county clerk to transfer a voter's registration at any time when notice of a change of address is received.

Testimony in support of this measure was submitted by representatives of the Office of the Lieutenant Governor, the League of Women Voters of Hawaii, the National Rainbow Coalition and Common Cause Hawaii.

Section 1 of this measure, as currently drafted, implies a duty by the Department of Taxation to act as the collection agent for voter registration forms. A representative of the Department of Taxation indicated that the Department processes over 101,000 pounds of mail annually, and that it does not have the staffing during tax season for the processing necessary to extract and forward to the Lieutenant Governor's Office the completed registration forms. Were it to do so, the representative testified, the processing of tax returns would be measurably slowed and additional interest would be incurred because of the delay in payment of refunds.

Your Committee finds that the voter registration forms should be addressed directly to the chief elections officer and that the Department of Taxation should not be identified as the collection agent for the registration forms.

Therefore, your Committee has amended the bill by providing that the Department of Taxation shall insert an application for voter registration with the resident tax return instruction booklet or pamphlet and deleting the language implying that the Department of Taxation should act as a collection agent for the completed forms. In addition, your Committee has inserted the sum of \$70,000 as the appropriation amount, to be expended for the purpose of having the Office of the Lieutenant Governor prepare and provide the forms to the Department of Taxation. Lastly, your Committee has changed the fiscal year for the appropriation to 1993-1994.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1652, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1652, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hirono, Peters and Thielen.

SCRep. 855 Judiciary on S.B. No. 217

The purpose of this bill is to change the position of Gender and Other Fairness Project Coordinator (Project Coordinator) from civil service to exempt status.

The Project Coordinator is responsible for promoting the Judiciary's commitment to equal justice for all people, without regard to gender, race, ethnicity, religion, or other discriminatory factors prohibited by law. The Project Coordinator also works with the Supreme Court's Permanent Committee on Gender and Other Fairness to identify and address problems areas in the bar, law schools, and various components of the justice system. Moreover, the Project Coordinator also creates and implements educational programs for attorneys, jurors, Judiciary employees, law school professors, and students.

Because the Project Coordinator interacts with non-Judiciary legal institutions as a representative of the Judiciary and the Committee on Gender and Other Fairness, Senate Bill No. 217 will allow the person filling the position to serve at the pleasure of the Chief Justice and the Administration Director of the Courts.

It should be noted that this measure, Senate Bill No. 217, is the companion measure to House Bill No. 197. Public hearings were held for both measures earlier in the 1993 legislative session and testimony was submitted at that time. Because both measures were reported from their respective Committees in identical form, your Committee finds there is no compelling reason to schedule another hearing on this measure and will recommend its passage accordingly.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 217 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hirono, Peters and Thielen.

SCRep. 856 Judiciary on S.B. No. 212

The purpose of this bill is to clarify the disposition of all interest earned on court deposits.

For housekeeping purposes, Senate Bill No. 212 will allow the interest earned on court deposits to be credited to the State of Hawaii where the court order or statute does not specify its disposition.

It should be noted that Senate Bill No. 212 is the companion measure to House Bill No. 191. Public hearings were held for both measures earlier in the 1993 legislative session and testimony was submitted at that time. Because both measures were reported from their respective Committees in identical form, your Committee finds there is no compelling reason to schedule another hearing on this measure and will recommend its passage accordingly.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hirono, Peters and Thielen.

SCRep. 857 Judiciary on S.B. No. 1448

The purpose of this bill is to allow the Criminal Injuries Compensation Commission to assign certain cases to the Commission's administrator.

Testimony in support of the bill was received by your Committee from representatives of the Department of the Prosecuting Attorney, Victim Witness Program, County of Kauai, the Office of the Prosecuting Attorney for the County of Hawaii, the Domestic Violence Legal Hotline and Mothers Against Drunk Driving. A representative of the Department of the Prosecuting Attorney, Victim/Witness Assistance Division, County of Maui testified generally in support of the bill, but suggested that there should be no exclusion from the expedited process simply because a case involves serious, permanent bodily injury.

Your Committee finds that the seriousness of the injury should not be an absolute bar to the assignment of the case to the Administrator. Instead, your Committee believes that the Commission should retain the discretion to evaluate each case as to whether disposition by the administrator is appropriate.

Therefore, your Committee has amended the bill by deleting the provision prohibiting assignment of cases when there are serious, permanent bodily injuries involved. Your Committee has also amended the bill by clarifying that funds received from collateral sources pursuant to §351-61 are to be deposited into the Criminal Injuries Compensation Fund.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1448, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1448, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 858 Judiciary on S.B. No. 1218

The purpose of this bill is to authorize the Governor to establish additional tax relief claims commissions in the event of a major natural disaster.

Testimony received by your Committee from a representative of the Department of Taxation indicated that the Department was not opposed to the bill.

Your Committee finds that in the event of a major natural disaster, the number of claims filed for tax relief could easily overwhelm a single commission. For this reason, the Governor should have the authority to appoint additional commissions, and should have greater flexibility in appointing the commission members, so that the commissions can be quickly established.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1218, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1218, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 859 Ocean Recreation and Marine Resources on S.B. No. 700

The purpose of this bill is to 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.

Your Committee on Ocean Recreation and Marine Resources finds that this measure will strengthen the State's current efforts to coordinate the responsibilities for ocean policy development and ocean resource management by placing the program in the Office of State Planning. This measure repeals Chapter 228, Hawaii Revised Statutes, and adds a new chapter which establishes a Marine and Coastal Affairs Program in the Office of State Planning as the primary agency for coordination of the program. It also elevates the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division level. Your Committee further finds that these changes will provide a mechanism to bring together public and private interests to achieve comprehensive integrated ocean resource management for more creative and efficient uses of ocean resources as assets for Hawaii's economic future and environmental protection.

Supportive testimonies were received from the Office of State Planning; the Sea Grant College Program, School of Ocean and Earth Science and Technology, University of Hawaii; The Pacific Congress on Marine Science and Technology; the Environmental Center, University of Hawaii; and The Ocean Recreation Council of Hawaii. The Department of Business, Economic Development, and Tourism expressed support for the intent of this bill, but

recommended deferring action on the elevation of the Ocean Resources Branch of the Department of Business, Economic Development, and Tourism to division level because of current budget constraints.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 700, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Herkes and Hirono.

SCRep. 860 Ocean Recreation and Marine Resources on S.B. No. 1874

The purpose of this bill is to create the Kaneohe Bay Regional Council to implement the Kaneohe Bay Master Plan developed pursuant to Act 208, Session Laws of Hawaii, 1990, and to perform other duties related to the management and administration of activities in Kaneohe Bay.

Your Committee on Ocean Recreation and Marine Resources finds that Kaneohe Bay is a rich natural resource used by marine researchers, commercial fishers, and recreation seekers, and that it must be protected and preserved for the continued use and enjoyment of present and future generations. The Kaneohe Bay Master Plan was developed to identify and resolve concerns resulting from multiple uses of Kaneohe Bay, and to provide guidelines for the regulation of all activities in the Bay. Your Committee further finds that the establishment of the proposed Kaneohe Bay Regional Council, which the bill places in the Department of Land and Natural Resources for administrative purposes, to oversee the management of the Bay and implementation of the Kaneohe Bay Master Plan will ensure the protection of this valuable resource, and provide a mechanism for addressing important issues regarding varied uses of the Bay.

Your Committee heard supportive testimony from the Office of State Planning (OSP), inasmuch as this bill will provide for implementation of the Kaneohe Bay Master Plan. The OSP offered recommendations for technical amendments, which are incorporated in the House Draft of this bill.

The Department of Land and Natural Resources acknowledged that the establishment of a Kaneohe Bay Regional Council is essential to implement the task force's recommendations, but declined to support the measure due to fiscal constraints, since funding would be required.

The Kahalu'u Neighborhood Board was represented on the Kaneohe Bay Planning Task Force, and feels very strongly that the Kaneohe Bay Master Plan be implemented.

Your Committee recognizes that this bill authorizes the Department of Land and Natural Resources to appoint an executive director, but that funding is not provided. Questions were raised by members of the Committee as to whether adjustments might be made in the Department's budget to accommodate this need, and whether a Council could serve on a voluntary basis with some assistance from the staff of the Department.

Your Committee has amended the bill by:

- (1) Amending line 16, page 1, to have the Council composed of seven (7), rather than eight (8) voting members, since only seven representative entities were included in the bill;
- (2) Amending line 16, page 2, to indicate that four voting members, rather than five, shall constitute a quorum, since the total Council membership is seven.
- (3) Amending line 17, page 6, by changing the date to 1998, rather than 1999 for reconvening of a future task force, since this change reflects the recommendation of the Kaneohe Bay Master Plan; and
- (4) Amending line 21, page 6, by changing the date to 1992, rather than 1991, to reflect the correct year.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1874, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1874, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Herkes and Hirono.

SCRep. 861 Tourism on S.B. No. 1550

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for a special tourism promotion of Kauai.

Your Committee received testimony in support of this bill from the Kauai County Office of the Mayor, the Kauai County Council, the Hawaii Hotel Association, and the Poipu Beach Resort Association.

Your Committee finds that a special tourism promotion to benefit Kauai would increase economic activity and would greatly assist Kauai hurricane recovery efforts, but that the purpose of the bill should not be to appropriate funds to replace lost transient accommodations tax revenues.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
2. Removing the purpose section; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1550, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1550, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 862 Tourism on S.B. No. 178

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for tourism promotion efforts by Destination Hilo.

Your Committee received testimony in support of this bill from Destination Hilo.

Your Committee finds that tourism promotion by Destination Hilo would stimulate tourism economic activity in East Hawaii, which would mitigate the effects of reduced agricultural economic activity.

Your Committee revised the bill by:

1. Changing the appropriation amounts to \$2 for each fiscal year for the purpose of continuing discussion of the bill; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 178, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 863 Energy and Environmental Protection on S.B. No. 1300

The purpose of this bill is to prevent the spread of non-native plants and animal species in Hawaii by developing a better means to guide and coordinate future prevention and control efforts. This bill appropriates an unspecified sum for the development of a comprehensive, multi-agency, alien species action plan. As the lead agency, the University of Hawaii's Department of Urban and Regional Planning would coordinate with various federal, state, and private agencies.

According to The Alien Species Invasion in Hawaii: Background Study and Recommendations for Interagency Planning, at least twenty state, federal, and private agency programs have been developed on an ad hoc basis to address specific concerns regarding pest prevention and control. Although the individual programs are generally effective within their own jurisdiction, the report found that, when taken together, this system of programs contains gaps that allows an average of twenty new alien invertebrates to be introduced in Hawaii annually. This bill seeks to identify these gaps and ensure that appropriate steps are taken to close them.

The following testified in support of this bill: the Department of Agriculture; the University of Hawaii's Department of Urban and Regional Planning; The Nature Conservancy of Hawaii; the Hawaii Farm Bureau; and the Natural Resources Defense Council.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1300, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Nekoba and Takamine.

SCRep. 864 Judiciary on S.B. No. 149

The purpose of this bill is to amend section 710-1024, Hawaii Revised Statutes, so as to clearly show that the offense of bail jumping applies to all felonies, rather than only class A, B, or C felonies. Also, changes are needed to make the language in this section gender neutral.

The Department of the Prosecuting Attorney for the City and County of Honolulu testified in support of this measure.

Your Committee finds that there are felonies that are contained in the Hawaii Revised Statutes but that are not located within the penal code. These felonies are not designated as class A, B or C felonies. Additionally, your Committee notes that there are crimes in the penal code, such as murder in the first and second degrees, that are not designated as a certain class of felony. Your Committee desires to clearly demonstrate that the bail jumping section applies to all felonies.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 149 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hirono, Peters and Thielen.

SCRep. 865 Judiciary on S.B. No. 280

The purpose of the bill is to allow preregistration of a person under age eighteen so that the person is automatically registered to vote at age eighteen.

Your Committee received testimony in support of the intent of the bill, but with the recommendation that the age of preregistration be set at age sixteen, from representatives of the Lieutenant Governor, the League of Women Voters of Hawaii, and Common Cause.

Your Committee finds that there is a need to encourage voter registration at or before the time a person reaches the legal voter age, but that the preregistration of young children would be of little value, due to the burden of maintaining the accuracy of, and ensuring the validity of, preregistration that could remain on the system for many election cycles.

Therefore, your Committee has amended the bill to permit preregistration no earlier than age sixteen.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 280, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 280, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 866 Ocean Recreation and Marine Resources on H.R. No. 174

The purpose of this House resolution is to protect the ocean floor, especially coral reefs, from damage caused by improperly dropped anchors from commercial fishing and recreational vessels by expediting the installation, operation, and maintenance of a statewide system of day-use moorings.

Your Committee on Ocean Recreation and Marine Resources is aware that healthy reefs are important for commercial and recreational fishing, as well as for other activities such as snorkeling and scuba diving.

Your Committee finds that coral reefs are being damaged and habitats for many species of reef fish are being destroyed by improperly dropped anchors from fishing and other vessels. Your Committee further finds that such damage and destruction could be prevented by installing day-use moorings.

Day-use moorings would consist of stainless steel eyebolts imbedded in the hard bottom of a reef, or a Manta-Ray system and screw augers installed in the sandy bottom of the ocean. Field tests have shown that the mooring devices, when adapted for conditions in Hawaii, eliminate damage from the dragging of anchors.

A general permit from the U.S. Army Corps of Engineers and a Conservation District Use Permit from the Board of Land and Natural Resources are being sought to allow the Division of Boating and Ocean Recreation to install day-use moorings for short-term uses such as fishing, diving, and snorkeling. Their approvals are the last steps needed before implementation can begin.

The Board of Land and Natural Resources is requested in this resolution to:

- (1) Expedite the installation, operation, and maintenance of a statewide system of day-use moorings, especially in marine life conservation districts;
- (2) Expedite the issuance of a general permit for the installation of statewide day-use moorings, to be approved by December 1993, and to involve the ocean recreation industry and The Ocean Recreation Council of Hawaii; and
- (3) Install day-use moorings statewide, and present a progress report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1994.

A copy of this resolution is to be transmitted to the Chairperson of the Board of Land and Natural Resources.

Supportive testimonies were received from the Department of Land and Natural Resources; the Sea Grant Extension Service, West Hawaii, School of Ocean and Earth Science and Technology, University of Hawaii; the University of Hawaii Sea Grant Extension Service, Manoa Campus; and The Ocean Recreation Council of Hawaii (TORCH).

The Department of Land and Natural Resources, knowing that there are no monies in its present budget for this project, has asked TORCH, with assistance from the Department of Business, Economic Development, and Tourism, to explore various means of creative financing to allow at least incremental installation of day-use moorings at sites most heavily used. TORCH expressed a willingness to sponsor fundraisers to help with the costs of installations.

Your Committee has amended this House resolution by amending the title to correct a typographical error by removing the extra "of" in the title. Your Committee has further amended this resolution by removing the word "concurrent" in the final "Be It Further Resolved" statement, since H.R. No. 174 is a resolution, not a concurrent resolution." The resolution was also amended by making technical, non-substantive changes for purposes of consistency and clarity: (1) By amending line 3, page 2, paragraph 1, to insert "is requested to" before the word "expedite" to be consistent with the other paragraphs; and (2) by amending line 8, page 2, paragraph 2, to insert the words "the issuance of" before "a general permit," for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 174, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 174, H.D. 1.

Signed by all members of the Committee except Representatives Apo, Herkes and Hirono.

SCRep. 867 Ocean Recreation and Marine Resources on H.C.R. No. 178

The purpose of this House concurrent resolution is to protect the ocean floor, especially coral reefs, from damage caused by improperly dropped anchors from commercial fishing and recreational vessels by expediting the installation, operation, and maintenance of a statewide system of day-use moorings.

Your Committee on Ocean Recreation and Marine Resources is aware that healthy reefs are important for commercial and recreational fishing, as well as for other activities such as snorkeling and scuba diving.

Your Committee finds that coral reefs are being damaged and habitats for many species of reef fish are being destroyed by improperly dropped anchors from fishing and other vessels. Your Committee further finds that such damage and destruction could be prevented by installing day-use moorings.

Day-use moorings would consist of stainless steel eyebolts imbedded in the hard bottom of a reef, or a Manta-Ray system and screw augers installed in the sandy bottom of the ocean. Field tests have shown that the mooring devices, when adapted for conditions in Hawaii, eliminate damage from the dragging of anchors.

A general permit from the U.S. Army Corps of Engineers and a Conservation District Use Permit from the Board of Land and Natural Resources are being sought to allow the Division of Boating and Ocean Recreation to install day-use moorings for short-term uses such as fishing, diving, and snorkeling. Their approvals are the last steps needed before implementation can begin.

The Board of Land and Natural Resources is requested in this concurrent resolution to:

- (1) Expedite the installation, operation, and maintenance of a statewide system of day-use moorings, especially in marine life conservation districts;
- (2) Expedite the issuance of a general permit for the installation of statewide day-use moorings, to be approved by December 1993, and to involve the ocean recreation industry and The Ocean Recreation Council of Hawaii; and
- (3) Install day-use moorings statewide, and present a progress report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1994.

A copy of this concurrent resolution is to be transmitted to the Chairperson of the Board of Land and Natural Resources.

Supportive testimonies were received from the Department of Land and Natural Resources; the Sea Grant Extension Service, West Hawaii, School of Ocean and Earth Science and Technology, University of Hawaii; the University of Hawaii Sea Grant Extension Service, University of Hawaii, Manoa Campus; and The Ocean Recreation Council of Hawaii (TORCH).

The Department of Land and Natural Resources, knowing that there are no monies in its present budget for this project, has asked TORCH, with assistance from the Department of Business, Economic Development, and Tourism, to explore various means of creative financing to allow at least incremental installation of day-use moorings at sites most heavily used. TORCH expressed a willingness to sponsor fundraisers to help with the costs of installations.

Your Committee has amended this House concurrent resolution by amending the title to correct a typographical error by removing the extra "of" in the title. The concurrent resolution was also amended by making technical, non-substantive changes for purposes of consistency and clarity: (1) By amending line 3, page 2, paragraph 1, to insert "is requested to" before the word "expedite" to be consistent with the other paragraphs; and (2) by amending line 8, page 2, paragraph 2, to insert the words "the issuance of" before "a general permit," for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 178, H.D. 1.

Signed by all members of the Committee except Representatives Apo, Herkes and Hirono.

SCRep. 868 Education and Human Services on S.B. No. 1670

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

Your Committees received testimony in support of this bill from the Department of Education (DOE), the State Librarian, and the Office of Children and Youth, with some suggested amendments.

Upon consideration, your Committees have amended the bill by:

- (1) Clarifying that the transfer of responsibility for literacy programs to the State Library System does not affect existing DOE programs relating to Adult Education; and
- (2) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1670, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1670, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Apo, Duldulao, Hagino, M. Ige, Peters and Takumi.

SCRep. 869 Education on S.B. No. 1748

The purpose of this bill is to establish the "Hawaii State Library Foundation Trust Fund" as a separate trust fund of the Hawaii State Library Foundation to provide financial support for programs of the Hawaii State Public Library System.

Testimony in strong support of this bill was received from the State Librarian.

Upon consideration, your Committee has amended the bill by replacing its entire contents. Specifically, the bill was amended by:

- (1) Allowing the trust fund to receive appropriations from the Legislature;
- (2) Requiring that any State money appropriated be matched by private sources by June 30 of the fiscal year in which the State moneys are appropriated;
- (3) Exempting the public library system from the requirement that blind or visually handicapped persons be given priority to operate vending facilities in state or county public buildings; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1748, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1748, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell and O'Kieffe.

SCRep. 870 Education on S.B. No. 467

The purpose of this bill is to exempt the Department of Education (DOE) from certain restrictive budget requirements.

Testifying in support of this bill, the Department of Education requested that an additional provision be added to allow the Department flexibility in hiring temporary personnel. The Chamber of Commerce and the Hawaii Business Roundtable also testified in support of the bill. The Department of Budget and Finance supported the bill contingent upon the implementation of lump sum budgeting at the DOE.

The Office of the Lieutenant Governor and the Tax Foundation of Hawaii submitted comments on the bill.

After receiving the public testimony, your Committee amended the bill by:

- (1) Requiring the DOE to submit an annual report to the Department of Budget and Finance on unexpended appropriations;
- (2) Requiring the DOE to submit an annual agency and school-by-school report on unexpended appropriations to the Legislature;
- (3) Allowing the DOE flexibility in the hiring of temporary personnel;

- (4) Requiring the Governor to include a declaration of how the executive budget request for education has changed since the previous budget request; and
- (5) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 467, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 467, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell, Taniguchi and O'Kieffe.

SCRep. 871 Education on S.B. No. 501

The purpose of this bill is to appropriate an unspecified amount of funds to the Department of Education to continue the school-level minor repairs and maintenance accounts.

Your Committee received testimony in support of this bill from the Department of Education and the Department of Accounting and General Services. Both agencies noted that it would be helpful if minor improvements also were eligible for funding from the school minor repairs and maintenance accounts.

While agreeing that it would be helpful to schools if minor school improvements were funded from the repairs and maintenance accounts, your Committee is unable to add that amendment to the bill because of constitutional considerations related to the title of this measure.

Upon consideration, your Committee made technical, non-substantive amendments to the bill for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 501, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 501, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell, Taniguchi and O'Kieffe.

SCRep. 872 Higher Education and the Arts on S.B. No. 266

The purpose of this bill is establish the Center for Disability Studies at the University of Hawaii and to appropriate funds for five faculty and two support positions to serve as an administrative core.

Your Committee received testimony in support of this bill from twenty-four separate groups and individuals, including numerous community organizations involved in disability issues, graduate students in psychology at the University of Hawaii, and parents of persons with disabilities.

The University of Hawaii submitted testimony supporting the intent of the bill, but did not support any additional appropriation to the University. Your Committee notes that the University did not include funding for the Center in its budget submission to the Board of Regents.

In addition, your Committee notes that the representative from the State Planning Council on Developmental Disabilities stated that the provision of direct services for persons with disabilities might be a better use of funding.

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

- (1) Specifying that the positions in the Center for Disability Studies established by the bill shall be re-allocated from the College of Education according to its priorities;
- (2) Changing the appropriation amount for fiscal years 1993-1994 and 1994-1995 to the nominal sum of \$1 for the purpose of continued discussion; and
- (3) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 266, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 266, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Arakaki, D. Ige and Taniguchi.

SCRep. 873 Higher Education and the Arts on S.B. No. 625

The purpose of this bill is to appropriate an unspecified amount of funds for the Kalakaua Marine Education Center at the University of Hawaii-Hilo.

Your Committee received testimony in support of the bill from the Director of the University of Hawaii Marine Option Program. The Chancellor of the University of Hawaii-Hilo submitted testimony supporting the intent of the bill, but opposed to any additional appropriation to the University.

Upon consideration, your Committee has amended the bill by changing the appropriation amount to the nominal sum of \$1 for fiscal years 1993-1994 and 1994-1995, for the purpose of continued discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 625, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 625, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Arakaki, D. Ige and Taniguchi.

SCRep. 874 Higher Education and the Arts and Hawaiian Affairs on S.B. No. 1137

The purpose of this bill as received is to increase the allotment of tuition waivers at all University of Hawaii campuses and to designate Hawaiians and other under-represented minorities as recipients of tuition waivers.

Your Committees received testimony in strong support of this bill from the University of Hawaii, the Office of Hawaiian Affairs, the Director of Operation Manong at the University of Hawaii, the Director of Student Services, the Associated Students of the University of Hawaii, the Academic Scholar Association, the Aged Hawaiians and the Have Nots, and a number of students currently receiving tuition waivers at the University of Hawaii.

Upon consideration, your Committees have amended the bill by replacing its entire contents. Specifically, the bill was amended by:

- (1) Requiring a specific number of tuition waivers, instead of a percentage increase in the allotment;
- (2) Specifying that the tuition waivers are for Native Hawaiians and Hawaiians, with first priority given to those enrolled in Hawaiian language courses or programs, or pursuing degrees in education;
- (3) Deleting the provision requiring that tuition waivers be granted to anyone descended from persons denied access to the Hawaiian language in schools in Hawaii;
- (4) Clarifying that non-resident tuition waivers are applicable to Native Hawaiians and Hawaiians residing outside of the state; and
- (5) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1137, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1137, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chumbley, M. Ige, Shon, Takumi and Taniguchi.

SCRep. 875 Higher Education and the Arts and Health on S.B. No. 1347

The purposes of this bill are to:

- (1) Establish a family practice residency program in the School of Medicine of the University of Hawaii;
- (2) Establish a two-year demonstration project in conjunction with the family practice residency program to provide training to health care graduates and students; and
- (3) Designate the "old" Hilo hospital as a training site for the residency program and demonstration project.

Your Committees received testimony in favor of this bill from the Office of Hawaiian Affairs, the University of Hawaii Professional Assembly, a number of organizations representing physicians and dentists, several rural hospitals, the Japanese Chamber of Commerce & Industry of Hawaii, and a number of individual physicians.

Upon consideration, your Committees have amended the bill by:

- (1) Establishing a family practice ambulatory health center at the "old" Hilo Hospital;
- (2) Specifying that Wahiawa General Hospital is to be included as a training site for the University's family practice residency program;

- (3) Including an appropriation amount in the nominal sum of \$1 for fiscal year 1993-1994 for the family practice residency program, for the purpose of continued discussion;
- (4) Including an appropriation amount in the nominal sum of \$1 for fiscal year 1993-1994 for the rural health care training project, for the purpose of continued discussion;
- (5) Specifying that the community of Hilo shall be involved in planning, developing, and establishing the family practice ambulatory health center at Hilo Hospital; and
- (6) Making other technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1347, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1347, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Apo, D. Ige and O'Kieffe.

SCRep. 876 Transportation and Intergovernmental Relations and International Affairs on S.B. No. 529

The purpose of this bill is to allow the Director of Finance of each county to enter into a contract with a private person or entity for the registration of new motor vehicles.

Your Committees received testimony from the City and County of Honolulu Department of Finance, the Chamber of Commerce of Hawaii, and the Hawaii Automobile Dealers' Association.

Your Committees find that other states have successfully implemented similar "dealer-government" partnership programs allowing a private entity to title and issue license plates for new vehicles. This process would benefit the public by providing them with their license plates and registration in an expeditious manner.

Upon further consideration, your Committees have amended this bill by:

1. Incorporating this authorization into Section 286-42(b), Hawaii Revised Statutes;
2. Deleting provisions specifying that the contract be entered into with a private person or entity; and
3. Incorporating various technical, non-substantive modifications.

As affirmed by the records of votes of the members of your Committees on Transportation and Intergovernmental Relations and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 529, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 529, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Hagino and Ward.

SCRep. 877 Transportation on S.B. No. 535

The purpose of this bill is to allow the Director of Finance of each county to require the payment of delinquent taxes and penalties as a condition precedent to the renewal of a motor vehicle registration or the transfer of ownership of a motor vehicle.

Your Committee received testimony from the City and County of Honolulu Department of Finance.

Your Committee finds that the Office of the Ombudsman has indicated that delinquent taxes and penalties should not be charged to any person other than the vehicle's owner of record at the time the tax was due, unless the counties formally file a lien. The counties have stated that it is administratively impossible for them to file a tax lien on all vehicles that have not paid the required taxes by its registration expiration date.

Your Committee has amended this bill by incorporating various technical, non-substantive modifications.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 535, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hagino.

SCRep. 878 Transportation on S.B. No. 619

The purpose of this bill is to allow the Department of Transportation to waive landing fees and dockage charges for an aircraft or watercraft at any airport or harbor under the jurisdiction of the State when the Governor declares a state of emergency, and the Department of Transportation determines that the waiver of landing fees and dockage charges for the aircraft or watercraft is consistent with activities to provide humanitarian relief to disaster-stricken areas of the State.

Your Committee received testimony from the State Department of Transportation.

Your Committee finds that under the current law, there is no expressed authority to waive any landing fees or dockage charges during state of emergency situations. Allowing the Department of Transportation the ability to waive these fees and charges will help facilitate and expedite humanitarian relief efforts during natural disasters or other emergency situations.

Your Committee has amended this bill by incorporating various technical, non-substantive modifications.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 619, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 619, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hagino.

SCRep. 879 Transportation on S.B. No. 866

The purpose of this bill is to establish a bicycle transportation program and coordinator, a bicycle transportation advisory committee, and a bicycle promotion program within the Department of Transportation.

Your Committee received testimony from the State Department of Transportation, the Chamber of Commerce, and the Sierra Club.

Your Committee finds that the creation of a bicycle coordinator position within the Department of Transportation will enhance the focus upon bicycling and pedestrian programs and will ensure appropriate consideration to alternate modes of transportation. Furthermore, your Committee finds that this bill complies with the Federal Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, which mandates to states receiving monies from the ISTEA program, that they establish a bicycle/pedestrian program coordinator position.

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

1. Adding a purpose and intent section;
2. Deleting the language and format of adding a new chapter to the Hawaii Revised Statutes;
3. Amending the language pertaining to the bicycle coordinator position by adding specific areas in which to assist the Director of Transportation;
4. Adding language to expand the duties of the bicycle/pedestrian coordinator position to include:
 - a. Developing and maintaining the State's comprehensive bicycle and pedestrian transportation plan (CBPTP);
 - b. Reviewing projects for conformity with the State's CBPTP with regard to bicycle/pedestrian facilities;
 - c. Developing priorities for studies in various areas;
 - d. Monitoring bicycle/pedestrian use and making recommendations for improvements;
 - e. Recommending and monitoring pertinent legislation that may facilitate the use of the bicycle/pedestrian modes for transportation purposes; and
 - f. Implementing the statewide bicycling promotion program, to include the development and implementation of safety and promotional information through various media outlets, and provide for other public information presentations;
5. Deleting the section appropriating monies from the highway special fund for the bicycle coordinator position;
6. Stating that the transportation advisory committee advise the State Director of Transportation on bicycle/pedestrian transportation matters; and
7. Incorporating several technical, non-substantive amendments for the purpose of clarification and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 866, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 866, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hagino.

SCRep. 880 Transportation on S.B. No. 168

The purpose of this bill is to appropriate funds to establish the Hawaii telework task force to develop a telecommuting work option for State employees.

Your Committee received testimony from Councilmember Rene Mansho, the Department of Transportation, the Department of Personnel Services, the Department of Education, the Chamber of Commerce, and the High Technology Development Corporation.

Your Committee finds that telecommuting is an attractive and needed work option which can increase productivity, decrease employee sick leave, increase the labor pool, improve employee morale and retention, and contribute to the reduction of traffic congestion.

Your Committee has amended this bill by:

1. Placing the Hawaii telework task force within the jurisdiction of the Department of Personnel Services for administrative purposes;
2. Amending Section 3 such that the general fund appropriation is expended by the Department of Personnel Services;
3. Mandating that an annual evaluation report be submitted to the Legislature; and
4. Incorporating various technical, non-substantive modifications.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 168, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 168, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hagino, Yonamine and Ward.

SCRep. 881 Transportation on S.B. No. 204

The purpose of this bill is to amend Section 291C-161, Hawaii Revised Statutes, to allow the court the flexibility to require any person in violation of this chapter, to attend a course of instruction in driver retraining, in addition to, or in place of, any other penalties imposed.

Your Committee received testimony from the State Department of Transportation, the Judiciary, the Prosecutor's Office, and the Honolulu Police Department.

Your Committee finds that this bill clearly provides the court with the discretion to require certain traffic offenders to attend a driver retraining course, in addition to, or in place of any other penalties that may be imposed. This would permit the court the flexibility to mandate driver retraining after reviewing the circumstances surrounding the infraction and the offender's complete traffic record.

Your Committee has amended this bill by deleting the provision allowing the court to impose driver retraining in place of any other penalties presently specified in statute, and by incorporating various technical, non-substantive modifications.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 204, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 204, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hagino.

SCRep. 882 Transportation on S.B. No. 530

The purpose of this bill is to eliminate the notarization requirement to obtain a refund of motor vehicle taxes. The bill also requires that the certificate of title and registration for a previously junked vehicle include a statement that indicates the vehicle had been previously junked, and requires a vehicle identification number inspection as a condition prior to the registration of the junked vehicle.

Your Committee received testimony from the City and County of Honolulu Department of Finance.

Your Committee finds that the vehicle identification number inspection will assure that the vehicle being registered is the same that was previously junked. The title branding requirement will alert subsequent buyers and other State jurisdictions that the vehicle was previously junked.

Your Committee has amended this bill by deleting the purpose and intent section and by incorporating various technical, non-substantive modifications.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 530, S.D. 2, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 530, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hagino.

SCRep. 883 Labor and Public Employment on S.B. No. 1164

The purpose of this bill is to authorize the Board of Trustees of the Public Employees Health Fund (Board of Trustees) to appoint an administrator who is exempt from the civil service requirements of Chapters 76 and 77, Hawaii Revised Statutes.

The Public Employees Health Fund testified on this bill, indicating that its Board of Trustees supports the option of appointing either an administrator that is subject to civil service requirements, or one that would be exempt from civil service requirements as this bill provides.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 884 Labor and Public Employment on S.B. No. 355

The purpose of this bill is to provide refunds to noncontributory members of the Employees' Retirement System who purchased service after June 30, 1984 and prior to July 1, 1989.

Testimony in support of this bill was received from the University of Hawaii Professional Assembly. The Employees' Retirement System also testified and had no objection to this bill.

Your Committee finds that when the noncontributory plan was established in 1984, noncontributory members were able to purchase their previous membership service. The contributions previously made were nonrefundable. Act 141, Session Laws of Hawaii 1990 (Act 141), enabled noncontributory members who purchased credited service after June 30, 1989, to receive a refund of their contributions. The group that purchased service prior to the enactment of Act 141 was not afforded the same benefit.

Your Committee further finds that not refunding contributions for those employees who purchased credited service prior to July 1, 1989 is inequitable since all other noncontributory members have already received a refund of their contributions.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 355 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Taniguchi.

SCRep. 885 Labor and Public Employment on S.B. No. 1136

The purpose of this bill is to require the Auditor to conduct biennial performance audits of the Employees' Retirement System (Retirement System) beginning with the fiscal year ending June 30, 1993.

Favorable testimony on this bill was received from the University of Hawaii Professional Assembly and the Coalition of Hawaii State-Counties Retirees Association. The Employees' Retirement System testified that it has no objection to this bill, but that it may be duplicative in light of Senate Resolution No. 35, Regular Session of 1993.

Your Committee finds that a performance audit, as called for by this bill, has not been conducted in the sixty-eight year history of the Retirement System. Your Committee further finds that there has been much controversy involving the Retirement System's investment policies, and a performance audit will restore confidence on the part of contributors.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Taniguchi.
(Representative Alcon voted no.)

SCRep. 886 Labor and Public Employment on S.B. No. 475

The purpose of this bill is to require the Board of Trustees of the Employees' Retirement System to establish a branch under the direction of the administrator to communicate and provide information to all members, both active and retired. The branch would disseminate timely information on retirement benefits, provide retirement counseling, and publish a quarterly newsletter to its members.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the University of Hawaii Professional Assembly, the Hawaii State Teachers Association, and the Coalition of Hawaii State-Counties Retirees Association.

Your Committee finds that this bill will improve communication between the Employees' Retirement System and all of its members.

Upon further consideration, and for purposes of continued discussion, your Committee has amended the appropriations section of the bill by inserting the amount of \$1.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 475, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 475, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Taniguchi.

SCRep. 887 Labor and Public Employment on S.B. No. 353

The purpose of this bill is to protect the benefits accrued by any retirant or pensioner prior to July 1, 1995, under Act 339, Session Laws of Hawaii 1990 (Act 339), when it is repealed on June 30, 1995.

Favorable testimony on this bill was received from the Department of Budget and Finance, the University of Hawaii Professional Assembly, the Hawaii Government Employees Association (HGEA-AFSCME), the Retirees Unit of HGEA-AFSCME, the Coalition of Hawaii State-Counties Retirees Association, and the State of Hawaii Organization of Police Officers.

Your Committee heard testimony indicating that according to an Attorney General's opinion, all bonus payments granted under Act 339 would be eliminated when it is repealed on June 30, 1995. As a result, the pensions of retirants would revert to the status that they were in as of June 30, 1990.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the brackets on lines 3 and 6 to restore the original language referring to the repeal of Act 339 and the reenactment of Section 88-11, Hawaii Revised Statutes, as it read prior to the enactment of Act 339; and
- (2) Adding the word "beneficiary" to the list of those persons whose benefits provided by Act 339 shall not be affected by repeal of Act 339.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 353, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 353, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Taniguchi.

SCRep. 888 Labor and Public Employment on S.B. No. 352

The purpose of this bill is to amend Sections 88-107 and 88-116, Hawaii Revised Statutes (HRS), relating to the Employees' Retirement System (ERS) investment income. Specifically, this bill:

- (1) Phases in over a period of six years the liquidation of the ERS's unfunded accrued liabilities from earnings in excess of the investment yield rate which are currently deposited into the Pension Accumulation Fund (PAF) and used to reduce the amount of contributions owed by the State and counties; and
- (2) Provides that the expenses of the ERS, which are currently provided for by the State and counties, shall be paid instead out of investment earnings, subject to the Governor's approval.

The Department of Budget and Finance proposed additional language and technical amendments to the bill. Testimony in support of this measure was submitted by the University of Hawaii Professional Assembly, the Hawaii Government Employees Association, the Hawaii State Teachers Association, the Coalition of Hawaii State-Counties Retirees Association, and the State of Hawaii Organization of Police Officers.

Your Committee finds that currently, excess investment earnings of the ERS may be used to supplement the State General Fund. At the same time, the ERS unfunded accrued liability is also increasing. This measure would incrementally allow the fund to retain more of its excess investment earnings while starting the process of reducing the unfunded liability of the ERS.

Further, your Committee finds that because of the three-year lag in funding the PAF requirements, the date (July 1, 1993) from which the provisions of this bill would apply to amounts to be contributed to the PAF may jeopardize the upcoming biennium budget and subsequent biennium budgets.

Accordingly, your Committee has amended this bill as follows:

- (1) Added the phrase "except as otherwise provided" to line 14 of page 1;
- (2) Changed the commencement date when excess earnings must begin to be used to accelerate liquidation of the unfunded accrued liability from July 1, 1993 to July 1, 1992;
- (3) Changed the corresponding biennial dates in Section 88-107, HRS, to reflect the new commencement date to accelerate liquidation of the unfunded accrued liability;
- (4) Replaced the phrase "Notwithstanding any provision to the contrary, effective July 1, 1999," with the phrase "Beginning July 1, 1998," on page 2, line 8; and
- (6) Changed the date from which the provisions of this bill would apply to amounts to be contributed to the PAF from July 1, 1993 to July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 352, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 352, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Takumi and Taniguchi.

SCRep. 889 Labor and Public Employment on S.B. No. 1445

The purpose of this bill is to authorize the Director of Public Safety (Director) to appoint civil deputy process servers.

The Department of Public Safety (DPS) testified in favor of this bill.

Your Committee finds that the Director currently appoints personnel from the Special Services Division to serve process. This bill will give the Director specific statutory authority to appoint individuals whose sole responsibility will be to serve process.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1445, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Taniguchi.

SCRep. 890 Health and Human Services on S.B. No. 831

The purpose of this bill is to prohibit smoking in all group child care homes, group child care centers, and family child care homes during their hours of operation.

Testimonies received by the Department of Health, the American Cancer Society, the American Heart Association, the American Lung Association, the Department of Human Services, and the Hawaii Medical Association support the passage of this bill.

It was noted by your Committees that the Environmental Protection Agency (EPA) identified and declared environmental tobacco smoke (ETS) or second hand smoke as a Class A carcinogen. It was also noted that the Surgeon General has concluded that nonsmokers who inhale tobacco smoke greatly increase their risk of heart disease, lung and other cancers, and respiratory diseases.

After further consideration, your Committees concluded that second hand smoke is harmful and that children exposed to this second hand smoke are more likely to experience sickness and chronic illness as they grow older. Your Committees also appreciated that the health of Hawaii's children is of utmost importance.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 831 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Arakaki, Ihara and Peters.
(Representative O'Kieffe voted no.)

SCRep. 891 Health on S.B. No. 1693

The purpose of this bill is to authorize the Department of Health to:

- (1) Establish one or more public health facilities as a system of public facilities for the purpose of issuing revenue bonds; and
- (2) Issue revenue bonds.

Specifically, this bill:

- (1) Provides that the rates, rents, fees, and charges imposed at public health facilities that are part of a system of public health facilities for which revenue bonds have been issued are not to be less than the rates, rents, fees, and charges required to enable the Department of Health to comply with section 39-61, Hawaii Revised Statutes (rates, rental, fees, and charges; undertakings and loan programs to be self-sustaining), and any resolution or certificate authorizing and securing the revenue bonds; and
- (2) Requires a separate special fund to be established for each system of public health facilities that is a component of a system of public health facilities for which revenue bonds have been issued. All income, revenues, and receipts derived from the ownership or operation of the particular system are to be deposited in the special fund and applied as required by section 39-62, Hawaii Revised Statutes (use of revenue and user taxes of undertaking or loan program), and the resolution or certificate authorizing and securing the revenue bonds. For the purposes of determining the amount to be assessed against a special fund, the director may separately allocate a portion of the special fund to each separate public health facility that constitutes a component of the system, or assess the amount from the special fund as a whole.

Testimonies received from the Department of Health and various public health activities strongly support this bill.

Your Committee recognizes that this bill could provide the state's public health functions with an effective means of obtaining needed funding without having to place additional demands on the state's general fund.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1693, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 892 Health on S.B. No. 1905

The purpose of this bill is to require the Department of Health to immunize and vaccinate uninsured and underinsured children and expand the scope of its immunization and vaccination program.

Testimony received from the Department of Health support this bill. Your Committee noted that many children in Hawaii are not immunized and felt that because immunizations and childhood vaccinations are very effective in saving lives and preventing debilitating diseases, they are a sound investment.

As such, your Committee has amended the bill to allow the Department of Health to vaccinate other people besides the indigent and medically indigent. Smallpox was also removed from the list of diseases in the bill because the smallpox vaccine is no longer in existence. Finally, Hepatitis B and Influenza have been added to the list of diseases for which vaccinations can be administered.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1905, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1905, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 893 Health on S.B. No. 1149

The purpose of this bill is to extend the repeal date of the Community Based Teenage Health Clinic Project.

Testimonies received by the Waikiki Health Center, the Department of Health, and the Department of Human Services support this bill.

Your Committee finds that the community based teenage health clinic demonstration project, known as "YO", is operating as an outreach program. The objective of this project is to improve the health care of street youths. Since its inception, the program has assisted approximately 500 individuals with a total of 6500 encounters.

Your Committee noted that many youths who have run away, or are disoriented, feel safer on the streets than they do at home and that a great number of these youths congregate in the Waikiki area because its dense population provides camouflage from the authorities. The demonstration project extended help to these young people, providing basic, primary and preventive health care and treatment, and ancillary social services.

Several concerns were raised by Hawaii Right to Life which were also noted by your Committee. Some of these concerns included parental notification of youths involved in the program and that the program evaluate teens to determine if they are indeed homeless.

Your Committee also requests that the Department of Health provide information regarding the differences between the use of latex condoms and condoms made of other materials and their ability to contain the HIV virus.

Accordingly, your Committee has amended this bill by changing the repeal date from 1996 to 1995.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1149, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1149, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 894 Health on S.B. No. 1377

The purpose of this bill is to appropriate funds for the development of a statewide comprehensive system of mental health care for children and adolescents.

Testimonies received from the Department of Health, the Office of Children and Youth, the Office of Hawaiian Affairs, the Hawaii Medical Association, the Mental Health Association, and the Hawaii State Alliance for the Mentally Ill support the intent of this bill.

Your Committee finds that there is a critical shortage of mental health services and programs and recognizes that the entire system of care cannot be funded and implemented immediately. However, a continuing commitment to expanding programs and resources is necessary to provide for the mental health needs of Hawaii's children and adolescents. This bill represents a critical first step in the development of a comprehensive mental health system for all the people of Hawaii.

In light of the foregoing, your Committee stresses that funding for the child and adolescent mental health service system, now and in the future, is a top priority.

Your Committee would also like to emphasize that much work will have to be done in the interim to monitor the development of the system and to identify the next steps to be taken.

Accordingly, your Committee has amended this bill to include appropriation amounts in specified areas which mirror HB 1756.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1377, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1377, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 895 Health on S.B. No. 1538

The purpose of this bill is to establish an interim procedure for the Department of Health to follow in contracting for emergency medical ambulance services pursuant to §321-228, Hawaii Revised Statutes.

Specifically, the bill would authorize a multi-step procurement process to allow the Department to review the qualifications of bidders prior to an award. The Department would be authorized to require bidders to provide a list of managers and trained and duly certified personnel who would perform the contracted services. The multi-step process is consistent with the provisions of the proposed procurement code which is not expected to become effective until July 1, 1994. As such, the substantive provisions would take effect upon approval and would expire on June 30, 1994.

Your Committee received favorable testimonies from the Department of Health, International Life Support, and emergency medical services consumers from Maui and Kauai.

Your Committee recognized that emergency medical consumers in the counties affected by this bill may have their health and safety compromised if selected "low bid" contractors did not have an adequate number of qualified personnel. Your Committee also notes that emergency medical services available to the people of Hawaii should be of the highest quality and should not be compromised by a "low bid" contract process.

After careful consideration, your Committee has amended this bill by requiring that the Department of Health obtain a list of qualified personnel from all companies bidding to provide emergency medical service. Other nonsubstantive amendments were also made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1538, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1538, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 896 Health on S.B. No. 1239

The purpose of this bill is to exempt from physician licensure requirements, first responder personnel certified by the Department of Health to provide automatic defibrillation to victims of cardiac arrest when such services are rendered under the medical oversight of a Hawaii licensed physician.

Testimonies received from the State Department of Health, the Department of Health of the City and County of Honolulu, and the Honolulu Fire Department strongly support this bill.

First responders are usually the first personnel on location when a victim has suffered a heart attack. It is noted by your Committee that in most cases, this is the Fire Department.

Realizing that the most critical time for care for heart attack victims is within four to six minutes of the onset of the heart attack and also realizing that the Honolulu Fire Department has a response time of three to four minutes, your Committee feels that many lives may be saved through the proper use of the automatic defibrillator by Fire Department personnel.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1239, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 897 Health on S.B. No. 1354

The purpose of this bill is to authorize the issue of special purpose revenue bonds in one or more series in an unspecified amount and to issue from time to time refunding special purpose revenue bonds to assist the Waianae Coast Comprehensive Health Center with the financing, refinancing, or both, for the construction of an addition to the health center's facilities. This authorization expires on June 30, 1995.

Testimonies received from the Waianae Coast Comprehensive Health Center, Ke Ola O Hawai'i, and various other groups strongly support this bill.

Your Committee finds that the issue of these bonds to support this health center is in the best interest of the public health, safety, and general welfare. Your Committee also notes that the activities and facilities of the center constitute a project as defined in part II, chapter 39A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1354 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Isbell and O'Kieffe.

SCRep. 898 Health on S.B. No. 233

The purpose of this bill is to establish a statewide resources team with a permanent full-time director within the Department of Health, and to authorize the director to develop a comprehensive mental health system of care and treatment for persons who are deaf, hard-of-hearing, and deaf blind.

Testimonies received from the Mental Health Association, the State Coordinating Council on Deafness, the Commission on Persons with Disabilities, and the State Advisory Council on Mental Health and Substance Abuse support the intent of this bill. The Department of Health also endorses the provisions of this bill, but due to severe budget restrictions, they cannot support the additional funding required to establish the resources team.

Your Committee finds that there is a severe lack of appropriate services for the hearing impaired and that there is a need to establish a comprehensive statewide mental health program for persons who are deaf and hard-of-hearing. Inadequacies affecting the hearing impaired include a lack of trained staff in private and public agencies servicing substance abusers with a knowledge of sign language.

After careful consideration, your Committee has amended this bill by clarifying that the Office of the Director of Health will be responsible for establishing a statewide resources team. Your Committee also requested that the program implemented serve the hearing impaired of all ages. Other technical nonsubstantive amendments were also added for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 233, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 899 Health on S.B. No. 503

The purpose of this bill is to appropriate funds for the continued development and implementation of a community-based mental health system in Hawaii.

Your Committee received testimony in support of the intent of this measure from the Mental Health Association in Hawaii and the Department of Health (DOH). The State Advisory Council on Mental Health and Substance Abuse submitted comments.

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

- (1) Clarifying that the funds appropriated are for long range planning as well as the development of a comprehensive community-based mental health system in Hawaii;
- (2) Requiring the DOH to submit the plan developed under the bill to the Legislature no later than twenty days prior to the convening of the 1994 regular session;
- (3) Requiring the DOH to submit annual reports to the Legislature with an updated projection of the fiscal resources and staffing necessary to implement the state comprehensive mental health services plan, and including the latest comprehensive mental health services plan developed by the State to meet federal block grant requirements and a report on the implementation thereof; and
- (4) Making technical, non-substantive amendments for the purposes of clarity and style.

Your Committee emphasizes that given the current fiscal crisis, the following is critical to the success of the mental health services plan:

- (1) That the DOH actively and diligently pursue the maximization of medicaid reimbursements through the development and implementation of effective billing practices; and
- (2) That substantiation be provided to the Legislature for all funding requested, now and in the future, for the development and implementation of the mental health services plan.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 503, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 900 Health on S.B. No. 799

The purpose of this bill is to provide for a diversion program for chemically dependent nurses.

Testimonies received from the Department of Health, the Hawaii Nurses Association, and the State Board of Nursing strongly support this bill.

It is generally accepted that chemical dependency affects about ten percent of the nursing population. It is recognized by your Committee that this is a percentage similar to that of the general population. Your Committee also realizes that nurses are far more reluctant to seek help for their dependency because of the stigma associated with chemical dependency and the fear of losing their license to practice in the State of Hawaii. It is further noted that statistics indicate that similar programs that are already in place on the continental United States are eighty- five percent effective.

Your Committee appreciates that all nurses play an important role in the health care system, and except for a chemical dependency, would be able to perform their function well. Further, your Committee noted that currently there is no peer program to offer these nurses any assistance.

After further consideration, your Committee has amended the bill to specify that the names of nurses who fail to comply with the terms of the diversion program shall also be referred to the the Regulated Industries Complaint Office. Other technical amendments were made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 799, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 901 Health on S.B. No. 1148

The purpose of this bill is to require health insurance policies that provide coverage for pregnancy related services to also offer coverage for contraceptive services.

Testimonies received by Hawaii Teen Pregnancy, Healthy Mothers-Healthy Babies, the Hawaii Nurses Association, Hawaii Certified Nurses-Midwives, the Hawaii Public Health Association, National Association of Social Workers, the Green Party, the Department of Health, Hawaii Right to Life and various other groups support the intent of this bill.

Your Committee feels that in addition to pregnancy related services, health insurance policies that offer these services should include contraceptive services to allow women to have access to this type of preventive service. Your Committee

finds that offering these services may result in increased access to contraceptive planning, especially for the underprivileged, which may be a key factor to effective family planning.

Opposition to this bill was received from the Chamber of Commerce of Hawaii and HMSA. The basic premise for their opposition was that they did not feel that types of health insurance offered should be legislatively mandated.

Concerns were also expressed by Hawaii Right to Life about the use of the term "birth control".

Accordingly, your Committee has amended this bill by deleting language in sections 1 and 2 which made the bill ambiguous and have totally eliminated section 3.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1148, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1148, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Isbell and Kawakami.

SCRep. 902 Health on S.B. No. 1250

The purpose of this bill is to make several amendments to chapter 323D, Hawaii Revised Statutes, relating to health planning and resources development and health care cost control.

Testimonies received by the State Health Planning and Development Agency and the Hawaii Statewide Coordinating Council support the intent of this bill on the premise that it will help to ease the burden of health care costs in Hawaii.

Opposition to this bill was received from the Hawaii Medical Association and the Hawaii Federation of Physicians and Dentists. They had several concerns, including the possibility that health care costs would increase instead of decrease.

Your Committee believes that health care costs in Hawaii, as well as the rest of the United States, is outrageously out of control and that something must be done to curb these costs.

It is noted by your Committee, however, that this bill, as amended, is ambiguous and adds verbiage that would prevent providers from acquiring additional equipment even when they already have a certificate of need or provide a service exceeding \$250,000. It is realized that this measure may place an expensive burden on health care providers and may further increase the cost of health care.

In light of the foregoing, your Committee finds this bill to be seriously flawed as amended by the Senate and has further amended this bill by retaining section 1 (subsection 1) along with sections 3, 11, 13, and 14 and deleting all other sections.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1250, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1250, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative O'Kieffe voted no.)

SCRep. 903 Public Safety and Corrections and Judiciary on S.B. No. 1752

The purpose of this bill is to establish a Corrections Population Management Commission (Commission), which shall develop mechanisms to prevent inmate population from exceeding the capacity of the correctional facilities.

For many years, the State of Hawaii has had difficulty in managing the size of its correctional population. In many instances, there have been more persons committed or detained in correctional facilities than there is bedspace to accommodate them.

Prison overcrowding was a major cause of the 1985 American Civil Liberties Union's lawsuit which resulted in a consent decree governing conditions at the Oahu Community Correctional Center and the Women's Community Correctional Center. Continued overcrowding is the primary reason that the State is unable to satisfy the requirements of the consent decree, and is the most significant obstacle to resolution of the litigation.

A permanent solution to overcrowding requires the participation, cooperation, and commitment of all three branches of government, and of all criminal justice agencies in the State. The proposed Commission will, hopefully, bring representatives of all these agencies together in an effort to develop strategies to control the population of all of the State's correctional facilities.

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

After free and open discussion, your Committees have amended the bill by:

- (1) Deleting the language in "§ -2" of the proposed new chapter that would allow the Commission to provide for the release of inmates, and in its place inserting language that would allow the Commission to establish

guidelines without regard to the requirements of chapter 91, while insuring the safety of the public, consistent with the action previously taken on companion measure, H.B. 2047;

- (2) Inserting language into "§ -3" of the proposed new chapter to specify that the commission shall also consider prosecutorial policies when it makes its recommendations to the appropriate authorities with respect to cost-effective mechanisms, legislation, and policies to control inmate population;
- (3) Deleting a redundant provision in "§ -3" of the proposed new chapter which makes reference to a "prison population oversight agency";
- (4) Inserting \$83,882 and \$72,782 for fiscal years 1993-1994 and 1994-1995, respectively, as the sums to be appropriated; and
- (5) Making other technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety and Corrections and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1752, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1752, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Herkes, Hirono, Oshiro, Peters and Takamine.

SCRep. 904 Energy and Environmental Protection on S.B. No. 697

The purpose of this bill as received by your Committee is to encourage the distribution and use of alternative fuel in the State of Hawaii. The bill creates an income tax credit for taxpayers who have converted an automobile registered in the taxpayer's name, to operate on specified types of alternative fuel.

The Department of Taxation and the Tax Foundation of Hawaii testified against the bill. The Gas Company and the Department of Business, Economic Development, and Tourism testified in support of the bill.

The Department of Taxation (Department) questioned the ability of a tax credit to encourage the conversion of automobiles to alternative fuel. The Department testified that although Section 237-27.1, Hawaii Revised Statutes, provides a general excise tax exemption of the sale of biomass-derived alcohol fuels or their blends, no major fuel distributor in the state currently sells such fuels and there has been little, if any, increased use of these fuels. In addition, the Department stated that conversion of an automobile to liquid propane gas ranges from \$750 to \$1600. The Department testified that the reduction of general revenues through tax credits would not be appropriate at this time of economic downturn.

The Tax Foundation of Hawaii (Foundation) argued that a tax credit would be an indirect subsidy of the cost of converting vehicles, and that the credit would be regressive, providing benefits only to taxpayers who had the capital to undertake a conversion. The Foundation suggested, as an alternative, that low interest loans be established.

The Gas Company strongly supported the provisions and intent of the bill, testifying that the use of alternative fuels will lessen the State's dependency on imported oil and will result in a cleaner environment. The Gas Company stated that liquefied petroleum gas is available from plants throughout the Pacific Basin, has the environmentally desirable properties of being non-soluble in water and gaseous at atmospheric conditions, and has been recognized as a clean-burning fuel under the federal Clean Air Act.

The Department of Business, Economic Development, and Tourism (DBEDT) testified that there have been reports of revolutionary processes developed in the past few years to convert biomass to ethanol. DBEDT stated that sugarcane, one of the most efficient converters of solar energy to plant fibers, is generally looked to as a basis for the production of ethanol.

DBEDT also testified that the bill's definitions and intent are consistent with the federal Energy Policy Act of 1992 (Public Law 102-486; 106 Stat. 2776), which was enacted to decrease the country's reliance on foreign petroleum and increase domestic energy production. DBEDT stated that the Act mandates the replacement of state, Federal, and private fleets, with alternatively fueled vehicles. New state fleet vehicle purchases must include the following percentages of vehicles powered by alternative fuels: 10 percent in 1996; 15 percent in 1997; 25 per cent in 1998; 50 per cent in 1999; and 75 per cent in 2000 and subsequent years. DBEDT testified that the City and County of Honolulu has a fleet of approximately 90 alternative fueled vehicles and has been utilizing alternative fuel for about 20 years.

Your Committee finds, in addition, that the Energy Policy Act provides for comprehensive state alternative fuels and alternative fueled vehicle incentives and program plans designed to accelerate the introduction and use of such fuels and vehicles. Under Section 409 of the Act, state plans that meet certain criteria will be eligible for federal assistance. Among these criteria are the requirement that the state plan examine tax exemptions for alternative fueled vehicles and fueling facilities. Your Committee also finds that the definition of "alternative fuels" is consistent with the definition set forth in Section 301 of the federal Act.

Your Committee agrees with the testimony of The Gas Company and DBEDT, and finds that it would be good policy to encourage the use of alternative fuels in light of the potential benefits to this state.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 697, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Nekoba and Takamine.

SCRep. 905 Energy and Environmental Protection on S.B. No. 696

The purpose of this bill as received by your Committee is to encourage the distribution and use of alternative automobile fuel in the State of Hawaii. The bill creates an income tax credit for gasoline dealers who have converted equipment at their place of business in order to allow specified alternative fuels to be sold to the general public.

The Department of Taxation and Tax Foundation of Hawaii testified against the bill. The Gas Company and the Department of Business, Economic Development, and Tourism testified in favor of the bill.

The Department of Taxation (Department) testified that although Section 237-27.1, Hawaii Revised Statutes, provides a general excise tax exemption of the sale of biomass-derived alcohol fuels or their blends, no major fuel distributors in the state currently sell such fuels and there has been little, if any, increased use of these fuels. The Department argued that there would be no fuel price advantage to consumers to convert automobiles to propane gas, which is more costly per gallon, than gasoline. The Department stated that businesses operating fleets of vehicles are the primary users of propane gas, and until more private vehicles are converted, a gasoline dealer would have little incentive to invest in propane dispensing equipment. Finally, the Department stated that reduction of general revenues through tax credits would not be appropriate at this time of economic downturn.

The Tax Foundation of Hawaii (Foundation) testified that there were very few vehicles utilizing alternative fuels, and that the cost of retrofitting automobiles to utilize such fuels would inhibit demand. The Foundation argued that the credit would subsidize gasoline dealers, and suggested that a program of low-interest loans be established in lieu of the proposed tax credit.

The Gas Company strongly supported the provisions and intent of the bill, testifying that the use of alternative fuels will lessen the State's dependency on imported oil and will result in a cleaner environment. The Gas Company stated that liquefied petroleum gas is available from plants throughout the Pacific Basin, has the environmentally desirable properties of being non-soluble in water and gaseous at atmospheric conditions, and has been recognized as a clean-burning fuel under the federal Clean Air Act.

The Department of Business, Economic Development, and Tourism (DBEDT) testified that there have been reports of revolutionary processes developed in the past few years to convert biomass to ethanol. DBEDT stated that sugarcane, one of the most efficient converters of solar energy to plant fibers, is generally looked to as a basis for the production of ethanol.

DBEDT also testified that the bill's definitions and intent are consistent with the federal Energy Policy Act of 1992, (Public Law 102-486; 106 Stat. 2776), which was enacted to decrease the country's reliance on foreign petroleum and increase domestic energy production. DBEDT stated that the Act mandates the replacement of state, Federal, and private fleets, with alternative fueled vehicles. New state fleet vehicle purchases must include the following percentages of vehicles powered by alternative fuels: 10 percent in 1996; 15 percent in 1997; 25 per cent in 1998; 50 per cent in 1999; and 75 per cent in 2000 and subsequent years. DBEDT testified that the City and County has a fleet of approximately 90 alternatively fueled vehicles and has been utilizing alternative fuel for about 20 years.

Your Committee finds, in addition, that the Energy Policy Act provides for comprehensive state alternative fuels and alternative fueled vehicle incentives and program plans designed to accelerate the introduction and use of such fuels and vehicles. Under Section 409 of the Act, state plans that meet certain criteria will be eligible for federal assistance. Among these criteria are the requirement that the state plan examine tax exemptions for alternative fueled vehicles and fueling facilities. Your Committee also finds that the definition of "alternative fuels" is consistent with the definition set forth in Section 301 of the federal Act.

Your Committee agrees with the testimony of The Gas Company and DBEDT, and finds that it would be good policy to encourage the use of alternative fuels in light of the potential benefits to this state.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Nekoba and Takamine.

SCRep. 906 Health on S.B. No. 1547

The purpose of this bill is to amend three statutes involving health insurance contracts by adding a sentence to each stating that prevailing medical standards with respect to immunizations means the recommendations of the Advisory Committee of Immunization Practices (ACIP) and the American Academy of Pediatrics (AAP). A sentence was also added to each statute excluding immunization from minimum benefits restrictions.

Testimony in support of this bill was received from the Department of Health. HMSA does not object to the intent of this bill but has several concerns that this bill would increase immunization costs for the general public.

Your Committee finds that immunization is an important aspect of health care. It was also noted by your Committee that prevention and standards are necessary to ensure that proper immunization is covered under a patient's health insurance plan.

Accordingly, your Committee has amended this bill by changing language of subsection (c) of sections 1, 2, and 3 to allow for minimum benefits to include payment for the vaccine and a reasonable charge for the administration of the vaccine.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1547, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1547, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 907 Energy and Environmental Protection on S.B. No. 1344

The purposes of this bill are to:

- (1) Decrease Hawaii's dependence on imported petroleum; and
- (2) Reduce air pollution;

by encouraging the use of electric vehicles. This bill provides an income tax credit to a taxpayer who either purchases a qualified electric vehicle or converts a vehicle to a qualified electric vehicle. The amount of the income tax credit would not exceed ten percent of the cost of the vehicle up to a maximum of \$4,000. This bill also provides for the repeal of this tax credit on July 1, 1998.

The Electric Vehicle Association of Hawaii (EVAH) and the Hawaiian Electric Company testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill but deferred to the Department of Taxation on the tax revenue implications of this measure. Relatedly, the Department of Taxation opposed passage of this bill. Finally, the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Deleting the phrase "and which has at least four wheels" from the definition of a "qualified electric vehicle" (page 5, lines 12-13 of the Senate draft). This deletion would allow a tax credit for electric vehicles with two or three wheels. According to EVAH, electric-powered mopeds, motor scooters, and motorcycles have the capability of replacing automobiles for many transportation tasks;
- (2) Inserting back into the bill existing statutory language that had been inadvertently omitted (page 4, lines 8 - 14 of the House draft); and
- (3) Inserting the word "in" between "to" and "subsection" (page 4, line 20 of the House draft) for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1344, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1344, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Nekoba and Takamine.

SCRep. 908 Energy and Environmental Protection on S.B. No. 709

The purposes of this bill are to:

- (1) Reduce Hawaii's dependence on petroleum; and
- (2) Protect Hawaii's environment;

by encouraging the development and use of clean fuels to power aircraft, seacraft, automobiles, and other motor vehicles. This bill exempts the sale of clean fuels used as fuels for motor vehicles from the general excise tax.

The Gas Company testified in support of this bill. Although the Department of Business, Economic Development, and Tourism also supported this bill, it deferred to the Department of Taxation for tax implications. The Department of Taxation opposed the bill. Finally, the Tax Foundation of Hawaii submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 909 Agriculture on S.B. No. 638

The purpose of this bill is to facilitate the merger or consolidation of agricultural cooperatives or associations.

As stated in S.B. No. 638, S.D. 2, the bill would allow cooperatives or associations organized under Chapter 421, Hawaii Revised Statutes (HRS), to merge or consolidate with each other or with any association incorporated under the laws of another state. However, your Committee recognizes discrepancies in the S.D. 2 draft of the bill regarding references throughout the bill to "cooperative(s)" and "associations" as separate entities. These references, as currently stated in the S.D. 2 draft of the bill, are inconsistent with Chapter 421, HRS, which the contents of the bill refers to. Chapter 421, HRS, contains a definition for "association", but not for "cooperative". Your Committee further notes that Chapter 421, HRS, is entitled "Agricultural Cooperative Associations".

Your Committee received testimony in support of the bill from the Hawaii Farm Bureau Federation and written comments from an agricultural marketing specialist for the Agricultural Cooperative Service, U.S. Department of Agriculture.

To clarify the intent of S.B. No. 638, S.D. 2, and to make its contents consistent with Chapter 421, HRS, your Committee has amended the bill by:

- (1) Deleting references to "cooperative" and "cooperatives", and substituting the words "association" and "associations", where applicable, to allow associations organized under Chapter 421, HRS, to merge or consolidate with other associations or with any association incorporated under the laws of another state;
- (2) Specifying that an association with more than two hundred members may publish a notice of a proposed merger or consolidation as provided in Section 421-21, HRS; and
- (3) Making extensive technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Chang.

SCRep. 910 Labor and Public Employment on S.B. No. 1425

The purpose of this bill is to clarify that the Director of Labor and Industrial Relations has the authority to assess administrative penalties for offenses not defined to be criminal in nature.

The Department of Labor and Industrial Relations, the Hawaii Nurses' Association Collective Bargaining Organization, and the Public Employees Management Association of Hawaii testified in favor of this bill.

Your Committee has amended this bill for the purposes of style and clarity by replacing its contents with the language of H.B. No. 1662, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1425, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 911 Labor and Public Employment on S.B. No. 1424

The purpose of this bill is to clarify that the circuit court can render a judgment to enforce a decision by the Director of Labor and Industrial Relations awarding compensation, assessing a penalty, or both.

The Department of Labor and Industrial Relations, the Hawaii Nurses' Association Collective Bargaining Organization, and the Public Employees Management Association of Hawaii testified in support of this bill.

Your Committee has amended this bill for the purposes of style and clarity by replacing its contents with the language of H.B. No. 1661, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1424, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1424, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 912 Labor and Public Employment on S.B. No. 680

The purpose of this bill is to increase the maximum amount payable for disfigurement from \$15,000 to \$30,000 under the workers' compensation law.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Government Employees Association, the ILWU Local 142, and the Hawaii Nurses' Association Collective Bargaining Organization. The Hawaii Insurers Council submitted proposed amendments to the language of this measure. The Chamber of Commerce of Hawaii submitted testimony against this measure.

Your Committee is in agreement that an adjustment in the maximum amount payable for disfigurement from a work injury is appropriate.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 680, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 680, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 913 Labor and Public Employment on S.B. No. 324

The purpose of this bill is to allow the Governor and the mayors to establish a leave sharing program so government employees may donate accumulated vacation leave credits to fellow employees who have a serious personal illness or injury.

The State of Hawaii Department of Personnel Services and the City and County Department of Personnel Services submitted proposed amendments, and stated their support of this measure in amended form. The Judiciary submitted testimony in support of this measure. The Hawaii Government Employees Association ("HGEA") submitted testimony in support of the intent and purpose of this measure, but stated their concerns relating to collective bargaining issues and abuse of this program.

Your Committee has amended this bill by deleting the substance and inserting the provisions of H.B. 187, H.D. 2, which, among other things, provides that all eligible recipients shall have:

- (1) At least six months of service; and
- (2) A personal illness or injury certified by a competent physician as being serious and requiring more leave time because of the recipient's inability to work; provided that the illness or injury is not covered under Chapter 386, or if covered, all benefits under Chapter 386 have been exhausted.

In addition, the amended bill does not have a "sunset" provision.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 324, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 324, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 914 Labor and Public Employment on S.B. No. 189

The purpose of this bill is to provide that unemployment compensation benefits paid to an individual because of natural disasters shall not be charged against the employers' accounts.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations and the Public Employees Management Association of Hawaii.

Upon consideration, your Committee has amended subparagraph 383-65(b)(7) to clarify that unemployment benefits paid to an employee beginning September 13, 1992 shall not be charged to an employer's reserve account if the separation from employment is a direct result of a major disaster pursuant to the federal Disaster Relief Act.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 189, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 189, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 915 Labor and Public Employment on S.B. No. 1428

The purpose of this bill is to amend the Occupational Safety and Health Law (OSH Law) to make it more consistent with the federal law, and to preserve the employee's right to pursue both the employee's remedies under the OSH law and other remedies such as injunctive relief.

The Department of Labor and Industrial Relations testified in support of this bill, and proposed one amendment for the purpose of clarity.

Accordingly, your Committee has amended this bill by adding the word "simultaneously" to paragraph 396-8(e)(6) on page 4, line 5 of this bill.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1428, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1428, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 916 Labor and Public Employment on S.B. No. 1426

The purpose of this bill is to enable the Department of Labor and Industrial Relations to determine the amount of the assessment and receive assessment funds directly from self-insured employers.

The Department of Labor and Industrial Relations and the Public Employees Management Association of Hawaii testified in support of this bill.

Your Committee has amended this bill for the purposes of style and clarity by replacing its contents with the language of H.B. No. 1663.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1426, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1426, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 917 Labor and Public Employment on S.B. No. 1669

The purposes of this bill are to:

- (1) Allow the Director of Labor and Industrial Relations to approve vocational training or retraining for a claimant if the training activity is authorized under provisions of the Job Training Partnership Act; and
- (2) Permit the temporary suspension of certain eligibility requirements for unemployment benefits in accordance with the provisions of Public Law 102-318.

The ILWU Local 142 testified in support of this bill. The Department of Labor and Industrial Relations testified on this bill, requesting that the language of H.B. No. 1737, H.D. 2, be inserted into this bill to bring Chapter 383, Hawaii Revised Statutes, into conformity with federal requirements.

Accordingly, your Committee has amended this bill by replacing its contents with the language of H.B. No. 1737, H.D. 2.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1669, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1669, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 918 Transportation on H.C.R. No. 118

The purpose of this concurrent resolution is to certify in writing to the Federal Government that the Hawaii State Legislature is opposed to the federal law which requires states to revoke driver's licenses of drug offenders or lose federal funding.

Your Committee finds that the United States Congress passed a law in 1990 mandating states to impose a mandatory suspension of driver's licenses for all convicted drug offenders or risk losing a part of their federal highway funds. This federal law also contains a nullification clause which provides that federal funds would not be withheld if both the Governor and the Legislature provide written certification that they are opposed to the federal law requiring states to enact a mandatory driver's license revocation or suspension law.

Your Committee has amended this resolution by:

1. Stipulating that the Legislature is opposed to the federal law requiring states to enact a mandatory driver's license revocation or suspension law;
2. Incorporating language opposing any coercive federal law which attempts to regulate state behavior by threatening the withholding of federal funds and amend the title accordingly;
3. Changing the compliance date to April 1, 1993; and
4. Incorporating various technical, non-substantive modifications.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 118, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 118, H.D. 1.

Signed by all members of the Committee except Representatives Hagino, Yonamine and Ward.

SCRep. 919 Energy and Environmental Protection on S.B. No. 1586

The purpose of this bill is to assist Hui Enekinia Hawaii in providing:

- (1) Electricity to the Hawaii Electric Light Company, Inc.; and
- (2) Water and thermal fluids to existing and planned manufacturing and processing entrepreneurs in the West Hawaii area.

This bill authorizes the issuance of special purpose revenue bonds in a total amount not to exceed \$50,000,000 to finance a cogeneration facility and related water production facilities in a 40-acre industrial park adjacent to Kawaihae Harbor.

The Department of Business, Economic Development, and Tourism, a member of the Hawaii County Council, and Hui Enekinia Hawaii testified in support of this bill. The Hawaiian Electric Company expressed concerns about the limited availability of special purpose revenue bonds and encouraged the Legislature to limit the authorization to those projects where the benefits would accrue to the consumer.

Your Committee finds that this bill, among other things, will help to alleviate the severe energy shortages on the Big Island and assist native Hawaiians in the development of a Hawaiian-owned and operated industrial park.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1586, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 920 Energy and Environmental Protection on S.B. No. 1608

The purposes of this bill are to:

- (1) Protect the health and welfare of Big Island residents and visitors; and
- (2) Avoid disruption of essential public services on the Big Island;

by ensuring that the Hamakua Sugar Company facility continues to provide an uninterrupted supply of electricity to the Hawaii Electric Light Company after March 31, 1993. This bill provides the Director of Health with emergency authority, until July 1, 1994, to approve the transfer of air pollution permits from one owner to another.

The Department of Business, Economic Development, and Tourism testified in support of this bill. The Department of Health opposed the bill, maintaining that it already has a mechanism to accomplish the purposes of this bill. Hawaiian Electric Company preferred the House version contained in H.B. No. 1797, H.D. 2. The Sierra Club, Hawaii Chapter, also opposed the bill.

Your Committee has amended this bill by:

- (1) Substituting the language in the Senate draft with language from H.B. No. 1797, H.D. 2, which grants the Director of Health with emergency authority to ensure the uninterrupted supply of electricity from the existing Hamakua Sugar Company operations; and
- (2) Inserting additional language from H.B. No. 1504, H.D. 1, which expands the membership on the Natural Area Reserves System (NARS) Commission by adding a member from a hunting organization and a member from a hiking organization.

Because this amended version of the bill had been circulated earlier for comments, your Committee also received testimony on this House draft. Commenting on an earlier House draft, the Nature Conservancy supported expanding the

NARS Commission by adding a representative from the hunting community. More than a dozen Big Island residents also testified in support of adding a hunter to the NARS Commission. Many stressed the importance that pig hunting was to their lifestyles and were opposed to efforts to eradicate pigs. Some pointed out that if a hunter was serving as a member of the NARS Commission, the State would have avoided the costly mistake of erecting a fence in the Puu O Umi watershed area only to remove it due to community opposition. Finally, an interested individual pointed out that adding someone from a user group will not be sufficient to address and resolve the various issues at hand.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1608, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1608, S.D. 1, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representative Takamine.

SCRep. 921 Consumer Protection and Commerce and Judiciary on S.B. No. 1709

The purpose of this bill is to enhance the regulation of Hawaii's utilities by establishing a funding mechanism for the Public Utilities Commission (PUC). Specifically, this bill would:

- (1) Create a public utility regulation special fund (special fund)--the moneys from which are to be administered by the PUC and expended for PUC activities; provided that special fund revenues be expended before the expenditure of general fund appropriations; and
- (2) Provide that the following moneys be deposited into the special fund:
 - (A) Revenues generated from the general excise tax on a public utility's gross proceeds from the sale to the public utility and subsequent resale to consumers of electric power;
 - (B) Revenues generated from the public utilities franchise tax; and
 - (C) Revenues collected from the public utility fee.

Testimony was submitted by the Consumer Advocacy Division of the Department of Commerce and Consumer Affairs; the Department of Taxation; the PUC; the Department of the Budget of the City and County of Honolulu; Hawaiian Electric Company, Inc.; the Hawaii Transportation Association; GTE Hawaiian Telephone Company, Inc.; and the Tax Foundation of Hawaii.

Your Committees find that severe fiscal restraints have precipitated the need to devise creative and novel approaches to fund existing government-based programs and services. While your Committees agree that the provisions of this bill would furnish needed resources to the PUC for various rate cases and other investigative proceedings, your Committees also realize that the reallocation of revenues generated from the public utilities franchise tax from the counties to the public utility regulation special fund may jeopardize the ability of the counties to provide necessary programs and services to the people of this State.

Furthermore, your Committees acknowledge that the Consumer Advocate's workload has increased over the last two years to a point where it has outstripped existing resources. If increased funding is not found, the Consumer Advocate will become a serious "bottleneck" in the regulatory process, and thus threaten the welfare of the public utilities and the consuming public.

In keeping with the aforementioned findings, your Committees have amended this bill as follows:

- (1) Established the Public Utilities Commission Special Fund (PUC Special Fund);
- (2) Clarified that moneys from the PUC Special Fund be used by the PUC for necessary expenses incurred while regulating public utilities, motor carriers, and water carriers;
- (3) Stated that all moneys received and collected by the PUC that are not pledged or obligated to any other special fund be deposited into the PUC Special Fund;
- (4) Created the Consumer Advocate Revolving Fund (CA Revolving Fund)--the moneys from which are to be administered by the Consumer Advocate and be used to hire independent contractors for any review or investigation undertaken by the PUC or the Consumer Advocate regarding public utilities, motor carriers, or water carriers;
- (5) Required the Consumer Advocate to submit annual reports to the Governor and the Legislature pertinent to the Consumer Advocate's activities over the previous year, and all disbursements from the CA Revolving Fund;
- (6) Provided that sums deposited into the CA Revolving Fund not exceed \$950,000 for any one fiscal year;
- (7) Mandated that revenues generated from the public utility fee be deposited into the PUC Special Fund, and increased the public utility fee from one-eighth to one-fourth of one percent of a company's annual gross income from public utility business;

- (8) Mandated that revenues generated from the common carrier fee be deposited into the PUC Special Fund, and increased the common carrier fee from one-eighth to one-fourth of one percent of a company's annual gross income from motor carrier business;
- (9) Appropriated \$500,000 for fiscal year 1993-1994, to be deposited into the PUC Special Fund and utilized by the PUC to provide continued services and programs; provided that the appropriation be used until such time as sufficient moneys are received and collected by the PUC to cover operating costs;
- (10) Stated that the substantive provisions take effect upon approval; provided that the appropriation takes effect on July 1, 1993; and
- (11) Made technical, nonsubstantive revisions for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1709, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1709, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 922 Consumer Protection and Commerce on S.B. No. 1711

The purposes of this bill, as received by the Committee, are to:

- (1) Reduce the term of the members of the Board of Public Broadcasting from 6 years to 4 years;
- (2) Require the Public Broadcasting Revolving Fund to consist of donations, grants, and fees, in addition to revenues received for services, airtime, other uses of public broadcasting facilities, and any State funds specifically appropriated for deposit into the revolving fund;
- (3) Clarify that all revenues deposited in the revolving fund shall be expended for the Public Broadcasting Authority and the Authority's related activities and programs; and
- (4) Require the Board of Public Broadcasting to prepare and submit an annual report to the Legislature, not less than twenty days prior to the convening of each regular session, identifying the amount and source of all revenues deposited into the revolving fund.

Supportive testimony was received from the Hawaii Public Broadcasting Authority.

Your Committee finds that the bill is intended to increase the Hawaii Public Broadcasting Authority's ability to raise funds to support local program production and other program services of Hawaii Public Television.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1711, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Herkes, Hiraki, Ishii-Morikami, Peters and Takamine.

SCRep. 923 Consumer Protection and Commerce on S.B. No. 1706

The purpose of this bill is to exempt the Chief Engineer and Assistant Chief Engineer positions within the Hawaii Public Broadcasting Authority from civil service requirements and compensation laws, however, they shall be eligible for the State Employees' Retirement System and for other benefits applicable to officers and employees of the State.

The Hawaii Public Broadcasting Authority (HPBA) submitted testimony in support of this measure.

Your Committee finds that the provisions of this bill will enhance the performance of HPBA and ensure quality television programming services to the people of the State.

While your Committee is in accord with the intent of this bill, upon careful consideration, your Committee has amended this bill by making technical, nonsubstantive revisions for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1706, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Herkes, Hiraki, Ishii-Morikami, Peters and Takamine.

SCRep. 924 Consumer Protection and Commerce on S.B. No. 1440

The purpose of this bill is to:

- (1) Clarify the various fees assessed by the Bureau of Conveyances; and
- (2) Enable the Department of Land and Natural Resources to adopt, amend, and repeal administrative rules in response to changes in the industry and the economy.

Supportive testimony was submitted by the Department of Land and Natural Resources (DLNR).

Your Committee finds that:

- (1) The Bureau of Conveyances is responsible for recording over 300,000 documents annually and collecting over \$2 million per year in service fees alone;
- (2) The provisions of this bill will clarify these fees, as well as fees that are gratis for government agencies; and
- (3) The proposed amendments to Chapter 501, Hawaii Revised Statutes, will not affect fees within the jurisdiction of the Judiciary Land Court.

In light of this, your Committee believes that the provisions of this bill will strengthen the operations of the Bureau of Conveyances, as well as ensure the welfare of the consuming public.

While your Committee is in accord with the intent of this bill, your Committee has amended this bill by:

1. Deleting the requirement of the payment of an additional fifty cents per acre verification fee for the second five hundred acres of a lot, as presently provided for in Section 501-218(a)(5); and
2. Making technical, nonsubstantive revisions for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1440, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Herkes, Hiraki, Ishii-Morikami, Peters and Takamine.

SCRep. 925 Consumer Protection and Commerce on S.B. No. 818

The purpose of this bill is to amend the Hawaii Revised Statutes to allow financial services loan companies (FSLCs), insured by the Federal Deposit Insurance Corporation (FDIC), to receive short-term investments, under security repurchase agreements, from the State of Hawaii. It would also permit insurers to deposit their own funds with FSLCs insured by the FDIC, and allow licensed insurance general agents, subagents, solicitors, and adjusters, acting as trustees, to deposit premiums and return premiums funds with federally-insured financial services loan companies.

Supporting testimony was received from the Hawaii Financial Services Association, Inc.

Testimony revealed that the existing law was written prior to depository financial services loan companies becoming insured by the FDIC. Further, that including federally insured financial services loan companies within Sections 36-21, 431:6-315, and 431:9-230 would provide the State, insurers, and agents, with additional options for the deposit of their funds, and enable depositors to obtain the best possible return for their funds.

Your Committee has amended this bill by:

1. Replacing the phrase "federal savings and loan insurance corporation or similar federal agency" with the phrase "Federal Deposit Insurance Corporation", at page 2, lines 12 and 13 of the bill; and
2. Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 818, S.D.1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 818, S.D.1, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Herkes, Hiraki, Ishii-Morikami, Peters and Takamine.

SCRep. 926 Consumer Protection and Commerce on S.B. No. 534

The purpose of this bill is to reduce the number of uninsured motor vehicles in the State by establishing procedures to enhance the enforcement of the Hawaii Motor Vehicle Insurance Law (No-Fault Law). Specifically, this bill would:

- (1) Require insurers to notify the appropriate County Director of Finance (County Director), in writing, of the cancellation of a no-fault policy by the insured or the refusal of the insurer to renew a no-fault policy;

- (2) Require the County Director to provide written notice by mail to the motor vehicle owner (whose policy was cancelled or not renewed) of the owner's obligation to return the motor vehicle's certificate of registration and license plates to the County Director;
- (3) Provide that if within thirty days, the owner fails to surrender the motor vehicle's certificate of registration and license plates to the County Director, or fails to show proof that the owner has obtained another no-fault policy, then the County Director is to notify the police that the owner is in violation of the No-Fault Law;
- (4) Authorize the appropriate police department to issue the violating owner a citation and impound the motor vehicle at the owner's expense;
- (5) Instruct the County Director to promptly notify the appropriate police department that the motor vehicle meets no-fault coverage requirements upon the owner's show of proof to the County Director that the owner has obtained adequate insurance coverage for the motor vehicle;
- (6) Provide that when the ownership of an impounded motor vehicle is transferred, the transferee is entitled to the reinstatement of the certificate of registration and the license plates of an impounded vehicle upon the transferee's show of proof to the County Director that the transferee possesses a no-fault policy at the time of taking the vehicle, and after the payment of all incurred towing and storage fees;
- (7) appropriate an unspecified amount for fiscal year 1993-1994 to each of the counties to implement the above-referenced procedures; and
- (8) Provide that the foregoing substantive provisions would take effect on January 1, 1994, provided that the appropriation section would take effect on July 1, 1993.

Testimony was submitted by the Insurance Division of the Department of Commerce and Consumer Affairs, the Department of Finance of the City and County of Honolulu, the Honolulu Police Department (HPD), the Maui County Council, the Hawaii Independent Insurance Agents Association, the Hawaii Insurers Council, and the Hawaii Academy of Plaintiffs' Attorneys (HAPA).

Your Committee finds that there is a compelling need to reduce the number of uninsured motorists on Hawaii's highways and streets. According to testimony submitted by the HAPA representative, approximately 140,000 cars--or 20 percent of all automobiles in the State--are currently being operated without proper no-fault insurance coverage. In addition, the representative from HPD noted that 18,021 citations for no-fault insurance violations, in conjunction with other traffic violations, were issued in 1992.

Although your Committee finds much merit to this bill, as received, your Committee raised strong concerns that:

- (1) The seizure of uninsured motor vehicles is a questionable policy which may not withstand judicial scrutiny;
- (2) The impoundment of motor vehicles may increase the risk of State liability; and
- (3) Further clarification regarding the storage of the impounded motor vehicles is needed (i.e., where will the uninsured motor vehicles be stored?).

In light of this, your Committee was not inclined to approve this measure, as received.

However, it has come to your Committee's attention that during the Regular Session of 1992, the Legislature approved a measure that proposed to enhance the enforcement of the No-Fault Law--S.B. No. 2306, S.D. 1, H.D. 1. Although this bill proposed to, among other things, direct the Department of Finance of the City and County of Honolulu to establish an on-line computer network and data base for the identification of uninsured motorists throughout the State, the measure was apparently vetoed by the Governor for the following reasons:

- (1) Since the bill would have imposed new duties and requirements on the City and County of Honolulu but made no appropriation for that purpose, the bill was in violation of Section 5 of Article VIII of the State Constitution, which requires that the State share in the cost of new programs imposed on any political subdivision; and
- (2) Since the bill also provided that insurers are responsible for updating the data base within thirty days of the cancellation or non-renewal of any policy, and that a vehicle is considered insured by the insurer until the data is revised, the bill imposes potential liability on an insurer even after the cancellation or non-renewal of a no-fault policy.

Your Committee agrees with the intent of S.B. No. 2306, S.D. 1, H.D. 1, and concurs with the Governor that additional "fine-tuning" is needed to ensure that an equitable and feasible method of reducing the number of uninsured motorists is established.

In keeping with the aforementioned findings, your Committee has amended this bill by deleting the substance and inserting the provisions of S.B. No. 2306, S.D. 1, H.D. 1, 1992, which proposes to:

- (1) Provide that the Director of Finance of the City and County of Honolulu (Honolulu Finance Director) establish an on-line computer network and data base for the identification of uninsured motorists throughout the State;

- (2) Require insurers to input the vehicle policy number, the no-fault policy number, and the name of the insurer into the City and County of Honolulu's insurance identification data base, and remove the above-mentioned information within thirty days of the cancellation of the no-fault policy, or the refusal of the insurer to renew the policy;
- (3) Require the Honolulu Finance Director to make the data base available to the Directors of Finance of the other counties, provided that the Honolulu Finance Director may also make the data base available to the county police and for public inspection; and
- (4) Provide that the Honolulu Finance Director and the Directors of Finance of the other counties may levy a \$100 penalty upon the renewal of registration of an uninsured motor vehicle.

In addition, your Committee has amended this bill by inserting for discussion purposes a \$1 appropriation to be expended by the City and County of Honolulu, and making technical, nonsubstantive revisions for the purposes of clarity and style.

It is noteworthy to mention that measures have been introduced (H.C.R. No. 428, H.C.R. No. 429, H.R. No. 388, and H.R. 389) requesting the State Attorney General and the Director of Finance of the City and County of Honolulu to respectively submit to the Legislature prior to the adjournment of the 1993 Regular Session a legal opinion on the liability issues, and a cost analysis on the statewide expansion of the on-line data base.

It is the intent of your Committee that this bill serve as a vehicle until such time as the opinion on liability issues and the above-mentioned cost analysis are received.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 534, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 534, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Herkes, Hiraki, Ishii-Morikami, Peters and Takamine.

SCRep. 927 Higher Education and the Arts and Hawaiian Affairs on S.B. No. 1626

The purpose of this bill is to establish a Hawaii artifacts registry at the University of Hawaii at Hilo to collect and record information on artifacts of significance to the people and cultures of Hawaii.

Your Committee received testimony in support of the bill from a representative of Project Ma'alo. The University of Hawaii at Hilo submitted testimony supporting the intent of the bill, but opposing any appropriation.

Your Committee finds that State funding is not required and has amended the bill to delete the funding provisions.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1626, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1626, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chumbley, M. Ige, Shon, Takumi and Taniguchi.

SCRep. 928 Higher Education and the Arts on S.B. No. 1564

The purpose of this bill is to permit the University of Hawaii to draw cash advances from the State Treasury in order to meet working capital requirements.

The University of Hawaii testified in favor of the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1564 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Arakaki, Dululao, M. Ige, Taniguchi and Yonamine.

SCRep. 929 Higher Education and the Arts 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.

The University of Hawaii testified in favor of the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 250 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Arakaki, Duldulao, M. Ige, Taniguchi and Yonamine.

SCRep. 930 Public Safety and Corrections on S.B. No. 1751

The purpose of this bill is to ensure that funds deducted from the wages of correctional inmates in venture agreements are deposited into the Correctional Industries Revolving Fund to reimburse the unfunded employment cost of the inmate.

Through venture partnerships, the Department of Public Safety (Department) can put many inmates to work in jobs in which they earn the prevailing wage. The correctional industries program reduces idleness, allows the Department to observe inmates in "real-world" working conditions while the inmates are still incarcerated, and gives the inmates an opportunity to earn and save money, and contribute towards the compensation of victims.

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

After free and open discussion, your Committee has amended the bill by:

- (1) Inserting language which clarifies that the funds deducted from inmates be used to reimburse the incarceration costs related to the inmates' participation in correctional industries, which is consistent with earlier Committee action taken on a companion measure;
- (2) Deleting language that would allow the funds deducted from the contributing inmates to be used to reimburse the employment costs of the inmate, which is also consistent with action previously taken on a companion measure;
- (3) Replacing the language "inmate contributions" with "inmate deductions", and deleting "contributing" from "contributing inmates" as this language implies that deposits will be voluntary on the part of the inmates, whereas, these deductions authorized by law are mandatory, which is consistent with action previously taken by the Finance Committee on a companion measure;
- (4) Inserting \$60,000 as the amount to be appropriated; and
- (5) Making technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety and Corrections that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1751, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1751, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes and Tom.

SCRep. 931 Housing on S.B. No. 1770

The purpose of this bill is to establish that the buyback lien of the Housing Finance and Development Corporation (HFDC) shall be superior to any other mortgage or lien, except any first mortgage created for the purpose of enabling the purchaser to obtain funds for the purchase of the unit and any other mortgages made with the approval and consent of the HFDC.

The instant bill is a companion measure to H.B. No. 1411, H.D. 1. The content of these bills is substantially identical. Each bill was heard in its respective house and testimony was received at that time. Because numerous opportunities have been given for public input on the substance of these measures, your Committee feels that further hearings on the same substance would be duplicative. For the foregoing reasons, your Committee has determined that there exists no compelling reason to schedule another round of hearings on the instant measure.

Upon careful consideration, your Committee has amended the bill by keeping its language intact, but adding to it, the contents of H.B. No. 661, H.D. 1, which was reported out of the joint House Committees on Housing and Commerce and Consumer Affairs earlier this session. H.B. No. 661, H.D. 1, develops a Housing Advocacy and Information System. This system expands the existing HFDC housing information system by specifying that the HFDC shall:

- (1) Conduct market studies, engage in community outreach, and solicit recommendations from government agencies, research organizations, nonprofit community groups, trade associations, the University of Hawaii, and housing consumers;
- (2) Analyze housing information and statistics;
- (3) Act as a clearinghouse for information on housing conditions, needs, supply, demand, characteristics, developments, trends, federal housing programs, and housing laws, ordinances, rules, and regulations; and
- (4) Make housing recommendations to appropriate agencies and housing developers.

Your Committee believes that the Housing Advocacy and Information System created herein is integral to the success of affordable housing efforts in this State.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1770, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 932 Housing on S.B. No. 400

The purpose of this bill is to authorize a rental housing tax credit to any person who builds affordable rental housing for rental to the general public.

Section 235-110.8, Hawaii Revised Statutes (HRS), provides a similar low-income housing tax credit. The credit piggybacks on the federal low-income housing credit under section 42 of the federal Internal Revenue Code with certain exceptions and applies to rental housing. The federal credit expired on June 30, 1992, and therefore, claims for the Hawaii credit cannot be allowed for low-income housing projects built in 1993 and thereafter.

Testimony was received from the Legislative Tax Bill Service, the Housing Finance and Development Corporation, the City and County of Honolulu, and the State of Hawaii Department of Taxation, which informed the Committee that the federal credit will probably be reenacted retroactively by the U.S. Congress.

Your Committee has amended S.B. 400, SD 2, by adding a new Section 3 to provide language to use as a vehicle under HRS 235-110.8 to mirror the Federal tax credit provisions which are anticipated to be reenacted retroactively, thus allowing claims for the Hawaii credit for low-income housing projects built in 1993 and thereafter.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 400, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 400, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 933 Education on S.B. No. 1604

The purpose of this bill as received is to:

- (1) Earmark a portion of the General Excise Tax (GET) to be deposited into the State Educational Facilities Improvement Special Fund (Special Fund) and used for the construction and improvement of school facilities; and
- (2) Allow monies in the special fund to be used for the amortization of revenue bonds issued to finance construction and improvement of school facilities.

Your Committee received testimony in favor of this bill from the Department of Education (DOE), provided that the funding generated from the earmarking would be greater than the current \$90 million deposited into the special fund annually. The Hawaii State Teachers Association also testified in support of the bill, although they believe the monies generated from the GET earmarking should be used for education generally, not just facilities.

Testifying in opposition to the bill were the Department of Taxation, the Chamber of Commerce of Hawaii, and the Tax Foundation of Hawaii. The Department of Budget and Finance submitted comments on the bill.

Upon consideration, your Committee has amended the bill by replacing its entire contents with the following:

- (1) Provisions that codify the existing DOE efforts to close the gap between facilities needs and resources, and to allow those efforts to be funded from the special fund;
- (2) Inclusion of technology-related items under the definition of equipment;
- (3) Repeal of the termination date for the State Education Facilities Improvement Special Fund; and
- (4) Other technical and non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1604, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1604, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Duldulao, Hagino, M. Ige, Isbell, Taniguchi and O'Kieffe.

SCRep. 934 Agriculture on S.B. No. 952

The purpose of this bill is to exempt from the measure of the general excise tax, all of the value or gross proceeds arising from the manufacture, production, or sale of tangible personal property that is sold by a producer of agricultural products to a purchaser who will reprocess the products outside the State in the purchaser's business, by amending Section 237-29.5, Hawaii Revised Statutes (HRS).

The Tax Director for C. Brewer & Company testified in support of the bill on behalf of the Hawaiian Sugar Planters' Association (HSPA). According to HSPA's testimony, the sugar industry is currently exempt from payment of the general excise tax on the out-of-state sales of its raw sugar. This exemption is based on the general excise tax exemption for sales to "cooperatives." However, with the impending sale of the sugar industry's refining "cooperative", the California and Hawaiian Sugar Company (C&H), to a single owner, the tax exemption would no longer be applicable. This bill would continue the general excise tax exemption and support for the sugar industry.

Your Committee also received written comments from the Department of Taxation (Department) and the Tax Foundation of Hawaii. In its testimony, the Department recommended that S.B. No. 952, S.D. 2, be replaced with the draft by the Department, which was approved by the Office of the Attorney General and concurred to by the sugarcane producers.

Based on the Department's recommended draft, your Committee has amended this bill by amending Section 237-13, HRS, to exempt from the general excise tax, producers of agricultural products who sell the products to purchasers who will process the products outside the State.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 952, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 952, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

SCRep. 935 Agriculture on S.B. No. 1920

The purposes of this bill are to:

- (1) Permit, at reasonable times and during regular business hours, any officer to visit and have immediate access to every part of a commercial animal establishment where animals are kept or maintained;
- (2) Stipulate that no person shall operate or maintain any commercial animal establishment that is:
 - (a) Unsanitary;
 - (b) Unsafe for the animals; or
 - (c) Inhumane;
- (3) Allow the council of each county to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes (HRS), to establish criteria for the operation or maintenance of any commercial animal establishment;
- (4) Forbid any person to prohibit the officers or their members from entering and inspecting a commercial animal establishment as provided in the bill; and
- (5) Specify that a violation of subsections (a) and (c) of the bill would constitute a petty misdemeanor.

Your Committee received testimony in strong support of the bill from the Executive Director, the President of the Board of Directors, the Staff Veterinarian, and the Chief Investigator of the Hawaiian Humane Society. Supporting testimony was also received from the Executive Director of the Maui Humane Society, the Financial Advisor of Prudential Securities, and two concerned citizens. Several dog and cat breeders, and other private citizens testified in opposition to the measure. Written comments were received from the Department of Agriculture.

In its discussion, your Committee noted the concerns of several breeders who indicated that while they support the prevention of cruelty to animals, they had deep concerns regarding allowing any animal control officer or member of the police force to have immediate access to all parts of a commercial animal establishment where animals are kept or maintained. Your Committee also recognizes the opposition by certain testifiers to the broad definition of "commercial animal establishment" that would include the private homes of animal breeders.

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

- (1) Providing that no person shall operate or maintain any pet shop or commercial horse-and-carriage activity that is unsanitary, unsafe for the animals, or inhumane, and therefore, establishing two new definitions, "pet shop" and "commercial horse-and-carriage activity";
- (2) Allowing the council of each county to adopt rules pursuant to Chapter 91, HRS, to establish criteria relating to the operation or maintenance of any pet shop and horse-and-carriage activity; and
- (3) Deleting:

- (a) The definitions of "animal", "commercial animal establishment", and "department" (which refers to the Department of Agriculture);
- (b) References to all portions of the bill regarding the inspection of premises of commercial animal establishments; and
- (c) Reference to the penalty for a violation of subsections (a) and (c) of the bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1920, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1920, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 936 Agriculture and Intergovernmental Relations and International Affairs on S.B. No. 993

The purpose of this bill is to allow the sale of seafood products at public auctions by amending Section 445-22, Hawaii Revised Statutes (HRS), which exempts seafood products from unlawful sale at public auctions. The bill also amends Section 445-23, HRS, to allow the sale of seafood products at public auctions between the hours of 9 p.m. and 8 a.m. throughout the year.

However, your Committees note a discrepancy in Section 1 of the bill, as Section 1 adds a new section to Part II of Chapter 445, HRS, which would exempt the provisions of Chapter 445 from private auctions and the sale by auction of fish or seafood products, thereby nullifying the purpose of the bill.

The Department of Land and Natural Resources submitted written comments on the bill, and indicated that it concurs with the bill provided Section 1 of the bill is deleted.

Accordingly, your Committees have amended the bill by deleting Section 1 of the bill, thereby:

- (1) Eliminating discrepancies in the language of the bill; and
- (2) Exempting seafood products from unlawful sale at public auctions.

Technical, nonsubstantive amendments were also made to correct Ramseyering inconsistencies.

As affirmed by the records of votes of the members of your Committees on Agriculture and Intergovernmental Relations and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 993, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 993, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives Alcon, Hagino and Marumoto.

SCRep. 937 Agriculture and Water and Land Use Planning on S.B. No. 301

The purpose of this bill is to transfer ten state-owned parcels of land from the Department of Land and Natural Resources (DLNR) to the Housing Finance and Development Corporation (HFDC) so that the parcels may be incorporated into Waiahole Agricultural Park. According to DLNR, these parcels of land are in Waiahole Valley, Waiahole, and Koolauloa on the island of Oahu, and are identified as Tax Map Keys 4-8-01:19 and 20, and 4-8-07:3, 6, 7, 8, 9, 10, 11, and 12.

In addition, the bill provides that:

- (1) Upon taking title to the ten parcels of land, HFDC shall immediately offer to lease the parcels to those persons, who hold revocable permits to the parcels from DLNR, as of the effective date of this bill; and
- (2) The leases shall be negotiated on the same terms as those leases offered to persons leasing parcels from HFDC within Waiahole Agricultural Park.

Honolulu City Councilmember Steve Holmes and the Waiahole-Waikane Community Association testified in strong support of this bill. Your Committees also received supporting testimony from Kahalu'u Neighborhood Board No. 29 and several tenants who hold revocable permits to the land parcels under question.

HFDC submitted written comments on the bill. In its testimony, HFDC indicated some considerations it had relating to the transfer of the ten parcels of land; however, HFDC stated that it would not object to including the ten land parcels as part of its agricultural park project, provided that HFDC incurs no additional financial burden. DLNR testified in opposition to the bill and indicated the reasons for its position in its written testimony.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land Use Planning that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 301, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Tajiri, Takamine and Thielen.

SCRep. 938 Higher Education and the Arts on S.B. No. 1150

The purpose of the bill is to authorize an additional amount of indirect overhead funds generated by the University of Hawaii for research and training purposes to be deposited into the Research and Training Revolving Fund in order to reimburse the Research Corporation of the University of Hawaii for management fees.

The University of Hawaii and The Research Corporation of the University of Hawaii testified in favor of the bill.

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

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1150, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1150, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Duldulao, M. Ige, Taniguchi and Yonamine.

SCRep. 939 Judiciary and Public Safety and Corrections on S.B. No. 363

The purpose of this bill is to make an appropriation for the Honolulu Police Department's component of the "No Hope in Dope" program.

The Honolulu Police Department, the Department of Public Safety, the Federal Bureau of Investigation, students, teachers, and concerned citizens testified in support of this measure.

Your Committees find that drug and alcohol abuse adversely affect society. The "No Hope in Dope" program is an extremely worthwhile educational program that seeks to teach students and their families about the dangers and effects of drug and alcohol abuse. It is a partnership among law enforcement, school, church, business, military, and community officials that presents speakers with personal knowledge of these dangers and effects. The program's goals are to mitigate and to prevent future drug and alcohol use by minors through emotionally charged information that is shared in a meaningful and caring presentation.

Your Committees also find that the Honolulu Police Department ("department") has been involved with this program for the last five years. As part of this program, the department holds workshops, whereby it presents numerous speakers to students and their families. These speakers span the spectrum from successful personalities, to teenage mothers on drugs, to prison inmates. The department plans to use the van to transport students to drug and alcohol treatment facilities and to correctional facilities. Additionally, this van will transport the speakers to different sites to take part in workshops with students. The Honolulu Police Department desires to take this program to the neighbor islands also. It proposes to duplicate this program in all of the other counties also.

Your Committees have directed both the Honolulu Police Department and the Department of Public Safety to expand upon their testimonies, relative to their respective components of this program, so that they may impress upon the House's Finance Committee the importance of this program. These organizations need to provide more specific information regarding this program, especially how each of the resources will be used in the program. Although this information will prove to be quite valuable, because your Committees are convinced of the need for the "No Hope in Dope" program, we did not want to hold up the respective bills pending receipt of this information.

Your Committees have amended this bill as follows:

1. Inserted a new Section 1 that details the purpose of this program and highlights how the appropriated funds will be used;
2. Inserted into Section 2 the appropriation of \$160,000;
3. Inserted into Section 3 the sums of \$100,000 for school/community projects, \$30,000 for one van, \$30,000 for travel expenses, and the total of \$160,000 for the Honolulu police department's component of this program; and
3. Made technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Public Safety and Corrections that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 363, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 363, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bainum, Bunda, Herkes, Hirono, Oshiro and Peters.

SCRep. 940 Judiciary and Public Safety and Corrections on S.B. No. 448

The purpose of this bill is to make an appropriation for the Department of Public Safety's component of the "No Hope in Dope" program.

The Honolulu Police Department, the Department of Public Safety, the Federal Bureau of Investigation, students, teachers, and concerned citizens testified in support of this measure.

Your Committees find that drug and alcohol abuse adversely affect society. The "No Hope in Dope" program is an extremely worthwhile educational program that seeks to teach students and their families about the dangers and effects of drug and alcohol abuse. It is a partnership among law enforcement, school, church, business, military, and community officials that presents speakers with personal knowledge of these dangers and effects. The program's goals are to mitigate and to prevent future drug and alcohol use by minors through emotionally charged information that is shared in a meaningful and caring presentation.

Your Committees also find that, as part of the "No Hope in Dope" program, the Department of Public Safety transports inmates from correctional facilities to sites, such as schools, where they discuss with the students how drug and alcohol abuse have led to their present difficulties. It is anticipated that the Department will be transporting these inmates to other islands also.

Your Committees have directed both the Honolulu Police Department and the Department of Public Safety to expand upon their testimonies, relative to their respective components of this program, so that they may impress upon the House's Finance Committee the importance of this program. These organizations need to provide more specific information regarding this program, especially how each of the resources will be used in the program. Although this information will prove to be quite valuable, because your Committees are convinced of the necessity of the "No Hope in Dope" program, we did not want to hold up the respective bills pending receipt of this information.

Your Committees have amended this bill as follows:

1. Inserted a new Section 1 that details the purpose of this program and highlights how the appropriated funds will be used;
2. Inserted into Section 2 the appropriation of \$195,000;
3. Inserted into Section 2 the sums of \$105,000 for three adult corrections officers, \$40,000 for one adult corrections officer-sergeant, \$30,000 for one van, \$20,000 for equipment, supplies, and travel, and the total of \$195,000 for the Department of Public Safety's component of this program; and
4. Made technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Public Safety and Corrections that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 448, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 448, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bainum, Bunda, Herkes, Hirono, Oshiro and Peters.

SCRep. 941 Judiciary on S.B. No. 1810

The purpose of this bill is to provide for a monetary assessment in criminal cases involving drug charges.

Your Committee received testimony in support of the bill, but with the suggestion that the assessments be placed in a special fund as opposed to the general fund, from representatives of the Office of the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department.

Your Committee agrees that those who have committed drug offenses should appropriately be required to contribute towards programs for the reduction of drug abuse.

Your Committee finds that since these assessments are contemplated to be in addition to, and not in lieu of, the present system of fines imposed in criminal cases, these assessments should be directed towards the special purpose of drug treatment and drug demand reduction programs, as they otherwise will be no different from fines already authorized by law.

In addition, your Committee finds that appropriate safeguards against imposing assessments against indigents should be adopted, in the same way such safeguards exist in the present law with regard to fines.

Lastly, your Committee believes that the Judiciary is the appropriate body to manage and disburse the funds.

Therefore, your Committee has amended the bill by directing the establishment of a special fund to be managed by the Judiciary and by adding a provision that such assessments should not be ordered unless the defendant is or will be able to pay the same.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1810, S.D. 2, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 1810, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Cachola, Oshiro, Peters, Takamine and Thielen.

SCRep. 942 Judiciary on S.B. No. 472

The purpose of the bill, as originally received by your Committee, is to designate the urban center in Kapolei as the site for the establishment of a Family Court Center.

Testimony in support of establishing court facilities in Kapolei was received by your Committee in the form of a petition from numerous residents of Oahu, testimony by representatives of the Estate of James Campbell, OmniTrac Group, Inc, the Kapolei Association Board, Social and Employment Services Incubator Project, Honokai Hale/Nanakai Gardens Community Association, Makakilo Community Association, and testimony by private citizens.

Testimony received by your Committee from a representative of the Family Law Section of the Hawaii State Bar Association, as well as from several private attorneys and their firms, opposed the concept of removing all Family Court services from downtown Honolulu.

Testimony by a representative of the Judiciary indicated that increased costs could be a concern if a full range of court services were established in two areas of the island.

Your Committee finds that growth on the island of Oahu is currently being directed to the West Oahu area, and that already 39 per cent of the population of the island of Oahu resides west of Red Hill.

Because at present Oahu has but a single urban center, downtown Honolulu, traffic conditions continue to worsen.

Your Committee finds, therefore, that the West Oahu area is ready for a second urban center, but it lacks a governmental infrastructure. Your Committee believes that little benefit to the public will be realized by placing only a Family Court Center in Kapolei, as both urban centers would then be left with a partial court system.

Such an event would exacerbate our traffic problems instead of easing them, for the residents of both East and West Oahu would then have to travel long distances to receive or participate in essential public services.

Your Committee finds that since current plans for the Family Court Center already envision the creation of jury service facilities and the transfer of numerous personnel to the new Family Court Center, a sensible solution to the problem is simply to create a full service facility in Kapolei while retaining a full service facility in Honolulu, albeit with reduced case load and hence reduced personnel in the Honolulu facility.

Your Committee finds that such an arrangement would relieve the overcrowding in the Honolulu facilities as there would be fewer cases and hence fewer personnel necessary in Honolulu, while at the same time services could be provided conveniently to all residents of Oahu.

Particularly attractive is the fact that since the present design already includes jury facilities, substituting a partial transfer of all types of courts for the wholesale transfer of the Family Court should not result in excessive increased costs for the State, as the raw number of personnel to be transferred and the basic type of facility necessary remains the same. Instead such a plan should result in considerable savings and convenience for the public as traffic congestion is reduced as the second urban center grows and the public is no longer required to travel long distances to attend court.

Your Committee recognizes that the presently planned Juvenile Detention Center should be located close to a Family Court. Hence, the State should take advantage of the free land available in Kapolei, and look towards handling all juvenile status offender and law violator cases in the Kapolei facility.

Therefore, your Committee believes that a policy statement should be made expressing this Legislature's intent that a full service court facilities should exist in both West and East Oahu. Your Committee further finds that any additional cost this policy may entail can be addressed in an appropriate budgetary vehicle.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 472, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 472, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Peters and Takamine.

SCRep. 943 Judiciary on S.B. No. 1281

The purpose of this bill is to amend section 567D-11, Hawaii Revised Statutes (HRS), to create the position of Controller for the Child Support Enforcement Agency (CSEA) and to appropriate funds for that position. Additionally, the bill proposes that the Controller have the authority of the first deputy to the administrator of the agency.

The Department of the Attorney General testified in support of this measure.

Your Committee finds that the financial management of the CSEA would be improved significantly by recruiting a highly qualified certified public accountant to serve as its Controller. Your Committee strongly recommends that, in order to attract a highly qualified individual, the Controller position should be included in the State Excluded Management series at the EM-07 level.

Your Committee has amended the bill as follows:

1. Substituted the word "controller" for the words "assistant administrator" throughout the bill. Since the title of the bill refers to "controller" and not "assistant administrator" this change is needed for the purposes of subject and title agreement and consistency;
2. Made technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hirono, Peters and Thielen.

SCRep. 944 Judiciary on S.B. No. 1616

The purposes of this bill are to:

- (1) Reassign the titles of "sheriff" and "deputy sheriff" to the Department of Public Safety (PSD) special services deputies; and
- (2) Require that the titles "sheriff" and "deputy sheriff" shall also apply to newly created positions of a similar nature with the PSD.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the National Sheriffs' Association, and private citizens. Testimony in opposition was submitted by PSD.

Established in 1845, Hawaii's Office of the Sheriff enjoyed a proud heritage, rich with honor, integrity, and justice. For example, in 1991, other Sheriffs' offices across the nation and the world had celebrated 1,000 years of history dating back to 992 in England. In 1989, however, Act 211 transferred the Office of the Sheriff and its security personnel from the Judiciary to the new PSD. The Act also removed all references to "sheriff", "deputy sheriff", and the "Office of the Sheriff." The transferred employees were then referred to as "special services deputies" assigned to the Special Services Division under the Deputy Director for Law Enforcement.

The removal of all references to "sheriff", "deputy sheriff", and the "Office of the Sheriff" was viewed by many as an act of dishonor and an injustice.

The passage of this measure would restore the sense of heritage and honor to all the former law enforcement employees that previously served with the Hawaii's Office of the Sheriff, as well as all future employees serving in similar functions under PSD. It has been noted that the duties and functions of the special services deputies are identical to those previously performed by "sheriffs" and "deputy sheriffs", and that the community is more familiar with the titles of "sheriff" and "deputy sheriff" and recognizes the uniform, badge, and insignia of the Office of the Sheriff. The employees take great pride in serving as "sheriffs" and "deputy sheriffs", and the Hawaii Chapter of the National Sheriff's Association is widely recognized and respected by its peers across the nation.

Your Committee, however, finds that the current language of Section 2 only addresses the titles of the incumbents that previously held the title of "sheriff" and "deputy sheriff" as well as for similar positions created in the future. There is no provision to include similar positions that were created since the enactment of Act 211. Moreover, the reference to Section 601 of the Hawaii Revised Statutes is incorrect.

Accordingly, your Committee has amended this bill by requiring that all titles of "sheriff" and "deputy sheriff" shall replace the titles of the special services deputies in accordance with the State of Hawaii compensation plan.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1616, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1616, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Peters and Takamine.

SCRep. 945 Judiciary on S.B. No. 1653

The purpose of this bill is to amend sections 11-72 and 11-76, Hawaii Revised Statutes (HRS), by:

1. Specifying that, under certain conditions, precinct positions may be filled without regard to party affiliation;

2. Permitting the chief election officer to waive certain requirements if it is determined that minority language assistance or other special needs warrant the waiver; and
3. Providing that precinct officials and election day employees shall be compensated pursuant to a schedule, contained in rules, established by the chief election officer; and

The bill also makes an appropriation for the purposes of this act.

The Office of the Lieutenant Governor testified in support of this measure.

Your Committee previously heard the companion to this bill, House Bill 1986. Your Committee disagrees with the Senate's decision to delete from the present bill the provision authorizing the chief election officer to contract with community organizations. We agree with the Office of the Lieutenant Governor that such authority would greatly facilitate the recruitment of precinct officials and other election day officials.

Your Committee finds that, during the last election year, the Chief Election Officer had difficulty recruiting precinct officials and other election day officials. Approximately 50% of the 3,665 positions approved for Oahu remained vacant for about one month prior to the primary election.

In order to improve the recruitment and placement process of election personnel, this measure, as amended, would:

1. Allow the chief election officer to directly hire non-profit community groups as election staff and exempt from state taxation any compensation paid to these groups;
2. Allow election officials to staff precincts based on ability and need rather than along party lines;
3. Provide employment waivers for election personnel necessary for minority language assistance or other special needs; and
4. Allow precinct officials and election day employees to be paid according to a schedule, adopted in rules, established by the chief election officer. This allows flexibility in adjusting compensation due to inflationary and other matters.

Your Committee has amended this bill by:

1. Inserting as Section 1 an amendment to section 11-5, HRS, which allows the chief election officer to contract with community organizations, school booster clubs, and other non-profit entities. Also, your Committee inserted language which makes compensation paid to these groups exempt from state taxation;
2. Adding an exception to subsection 11-72(c), HRS, so that the chief election officer cannot waive the requirements of paragraph 11-72(b)(3), HRS, even though it is determined that minority language assistance or other special needs warrant such a waiver. Your Committee wants to make it very clear that the prohibitions under paragraph 11-72(b)(3), HRS shall not be waived by the chief election officer pursuant to subsection 11-72(c), HRS. Thus, no parent, spouse, child, or sibling of a candidate shall be eligible to serve as a precinct official in any precinct in which votes may be cast for that candidate. Also, no candidate shall be eligible to serve as a precinct official in the same election in which that person is a candidate. Finally, no candidate who failed to be nominated in the primary or special primary election shall be eligible to serve as a precinct official in the general election next following;
3. Appropriating \$1 for purposes of further discussion;
4. Providing that this measure shall take effect on July 1, 1993 instead of "upon its approval"; and
5. Making technical, nonsubstantive revisions for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1653, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1653, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Peters and Takamine.

SCRep. 946

Judiciary on S.B. No. 1798

The purpose of this bill is to amend section 92-21, Hawaii Revised Statutes (HRS), to permit public agencies, in accordance with rules adopted by those agencies, to charge for the cost of reproducing geographic information system digital and electronic data.

The Office of State Planning, the Hawaii Information Network Corporation, and the Director of Land Utilization for the City and County of Honolulu testified in support of this matter. The Office of Information Practices supported the purpose of the bill but opposed the bill as currently drafted.

Your Committee finds that the costs of developing the geographic information systems have been substantial. Public agencies need to determine the fees to be charged for distributing digital data to the public, so that they may recover the

costs invested in these systems. While there are provisions that allow for fees to be charged for certain reproduction costs, the statutes are silent regarding reproducing electronic or digital geographic data for the public.

Your Committee also finds that the demands of the users of this technology will require that additional resources and funding be committed to the maintenance of these systems. The costs for the expansion of these systems, as well as the acquisition of additional data sources and the costs of the additional staff needed for these systems, will be substantial. These services can only be provided if the agencies have a mechanism to recover the costs associated with these systems.

Additionally, your Committee notes that the public release of this data raises issues concerning data accuracy and the liability for data that may not be verified. Also, there are questions regarding inappropriate uses of the data and the misapplication of the data. Thus, in addition to recovering costs, there is a need for the agencies to establish guidelines and policies that specify the limitations of the data and that assist in promoting the appropriate use of the information.

Your Committee has amended the bill by providing technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1798, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1798, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Cachola, Oshiro, Peters, Takamine and Thielen.

SCRep. 947 Judiciary on S.B. No. 154

The purpose of this bill is to create a multi-agency task force for traffic violation enforcement in Hawaii. This task force will analyze traffic violation enforcement and will determine how to provide for better coordination and cooperation among numerous agencies.

It is the intention of your Committee to use this measure as a vehicle for a bill, that is similar to House Bill 17 H.D. 1, that involves the decriminalization of certain traffic offenses. Your Committee notes that, in the notice of hearing for this bill, the agenda specifically mentioned the aforementioned intention. Your Committee has made available to the public a house draft relating to the decriminalization of certain traffic offenses. In the agenda for this bill, your Committee advised the public that comments and recommendations as to the decriminalization of traffic offenses, rather than the bill relating to the multi-agency task force, would be entertained at the time of this hearing.

The Judiciary, the Hawaii State Law Enforcement Coalition, consisting of the Department of the Attorney General and the Prosecutors and Police Chiefs of the Counties of Hawaii, Honolulu, Kauai, and Maui, the Department of Transportation, and the Office of the Public Defender testified in support of the bill as amended. The American Civil Liberties Union testified in support of the concept of removing jail penalties from simple traffic offenses but it opposed the amended bill.

Your Committee has amended this measure as follows:

1. Deleted all of the language of this bill relating to the formation of the multi-agency task force; and
2. Used this bill as a vehicle for the decriminalization of certain traffic offenses, by inserting language similar to House Bill 17 H.D.1.

The purpose of this bill, as amended, is to decriminalize all but the most serious traffic offenses, so as to more effectively and efficiently utilize the resources of the judiciary and law enforcement. 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 classified currently as crimes. These offenses require the offender to appear in court, one or more times, to dispose of the case. However, currently the vast majority of violators are required only to pay 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 drivers 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 offenders, who do not wish to contest the citation, simply to pay a fine by mail without any further action. Also, those offenders who wish to admit to the infraction but want to explain mitigating factors, as well as those violators 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 offender 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 offender chooses the first option and submits payment, traffic points will be assessed according to the nature of the violation and the offender'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 offender, which would require the suspension of the driver's license, payment would be rejected and the offender would be scheduled for trial.

If the offender chooses option number two, the offender will receive a hearing, which is limited to an explanation in mitigation of the fine and points assessed. The offender 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 offender's total points to equal or exceed twelve, which would require the suspension of the driver's license, the offender's admission would be rejected and the driver would be scheduled for trial.

Should the offender choose the third option, the offender will be afforded an informal hearing. 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 offender will be permitted to explain his version of the matter. Ordinarily, no additional witnesses will be required. The offender, 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 offender fails to respond within fifteen days to the citation and the choice of one of the three options, a judgment by default will be entered in favor of the State. The court will notify the offender as to the fine and points assessed. If the offender 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 offender will be unable to renew the driver's license or to register or acquire a vehicle until the matter is settled with the court.

Additionally, your Committee recognizes that such an informal process may result in a greater opportunity to "fix" traffic tickets. Consequently, this measure increases the penalty from a misdemeanor to a class C felony for "ticket fixing," and provides for a minimum fine of \$1,000 and a maximum fine of \$10,000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 154, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 154, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Cachola, Oshiro, Peters, Takamine and Thielen.

SCRep. 948 Housing and Human Services on S.B. No. 1712

The purpose of this bill is to transfer the responsibility of administering the homeless families assistance law from the Department of Human Services (DHS) to the Hawaii Housing Authority (HHA). This bill also makes technical changes to clarify and strengthen homeless programs.

Supporting testimony was submitted by the HHA.

Your Committees, upon further consideration, have amended the bill by keeping its language intact, but adding to it, the contents of H.B. No. 1825, H.D. 1 which was reported out of the House Housing Committee this session, and H.B. No. 318, H.D. 1 which was reported jointly out of the House Housing and Human Services Committees this session.

H.B. No. 1825, H.D. 1, amends Act 279, Session Laws of Hawaii 1992, as follows:

- (1) Changes the length of the Hale Kokua Homeless Pilot Project from two to five years and expands the project to all islands;
- (2) Limits the tenant participation in the Hale Kokua Homeless Pilot Project to those homeless individuals who are employed;
- (3) Gives priority to families who have been homeless in the State the longest and who have been living in transitional shelters;
- (4) Requires annual interim reports on the status of the project during each year of its operation, and a final report for submittal to the 1997 Legislature;
- (5) Provides that the allowable \$300 monthly State rent subsidy to supplement monthly rental payments made by homeless tenants be changed to allow a State rent subsidy up to \$300;
- (6) Awards reasonable attorneys' fees and costs to the coordinator for any action brought to enforce Act 279;
- (7) Extends the drop dead date from July 1, 1994 to July 1, 1997; and
- (8) Provides that the repeal of the Act shall not affect the right to recover attorneys' fees and other costs.

H.B. No. 318, H.D. 1, does the following:

- (1) Stipulates that all shelters for the homeless shall be permanent structures for transitional use by the homeless;
- (2) Requires that homeless shelter units shall not be temporary structures or on land which is not available on a long term basis;
- (3) Clarifies that commitments already made to construct Weinberg Village Shelters in Waimanalo and Ewa shall not be affected by the bill; and
- (4) Requires that structures or shelters constructed at Waimanalo and Ewa, or shelters already constructed as of the effective date of this Act, be relocated to permanent sites upon the expiration of each pending five year contract.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1712, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1712, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ihara, Pepper and Peters.

SCRep. 949 Intergovernmental Relations and International Affairs on S.B. No. 923

The purpose of this bill is to allow for the capital costs and associated operating expenses of an expanded statewide emergency (E-911) system to be recovered through a telephone line surcharge, or the next rate case, whichever comes first.

Your Committee finds that an expanded statewide E-911 system is necessary for the health, safety, and welfare of the people of Hawaii and for visitors to our State.

Testimony in favor of this bill was received from the Hawaii State Association of Counties, the Hawaii County Council, the Kauai County Council and GTE Hawaiian Tel.

Your Committee has amended the bill by replacing its contents with language from H.B. No. 118 (1993), which allows for public utilities to add the capital cost of providing statewide E-911 service into its ratebase and to recover this capital cost and associated operating expenses through its basic service rates.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 923, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 923, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Alcon, Hagino and Ward.

SCRep. 950 Higher Education and the Arts on S.B. No. 1627

The purpose of this bill is to appropriate an unspecified amount of funds to establish a center for Hawaiian language curriculum research and development at the University of Hawaii.

Your Committee received testimony in support of this bill from the Center for Hawaiian Studies at the University of Hawaii, the Hawaiian Language Coordinator at the University of Hawaii, the Hawaiian Language Association, the Hawaii Chapter of the National Rainbow Coalition, teachers in the Hawaiian immersion program, and parents of students in the program. The University of Hawaii also supported the bill, provided that the center would be established in accordance with the Bylaws and Policies of the Board of Regents.

Upon consideration, your Committee decided to leave the appropriation amount unspecified, for the purpose of continued discussion. However, your Committee would like to voice its strong support for the establishment of the center, and its desire that \$230,354 in funding be provided for that purpose, as specified in the original companion measure, H.B. No. 1818.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1627, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Duldulao, M. Ige, Taniguchi and Yonamine.

SCRep. 951 Higher Education and the Arts on S.B. No. 519

The purpose of this bill is to establish a State History Museum within the State Archives and to appropriate an unspecified amount of funds for its operation.

Your Committee received testimony in support of the concept of a State History Museum from the Department of Accounting and General Services, several members of the Governor's Advisory Committee for a State History Museum, the Museum Director of the Alexander & Baldwin Sugar Museum, and a concerned citizen. Those submitting testimony were in agreement, however, that further study by an advisory council is necessary before proceeding with the establishment of the State History Museum.

After receiving the testimony, your Committee amended the bill by replacing its entire contents. Specifically, the bill was amended by:

- (1) Placing the State History Museum with the Department of Accounting and General Services for administrative purposes;
- (2) Specifying that the museum collection will be publicly exhibited;
- (3) Creating a provisional State History Museum Advisory Council to study the issues surrounding the establishment of a State History Museum and report back to the Legislature;
- (4) Specifying that groups representing Hawaiians will be included in the membership of the advisory council;
- (5) Including a sunset provision;
- (6) Appropriating \$50,000 for the operations and activities of the advisory council; and
- (7) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 519, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 519, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Arakaki, Duldulao, M. Ige, Taniguchi and Yonamine.

SCRep. 952 Economic Development and Business Concerns on S.B. No. 3

The purpose of this bill is to clarify State quality growth policy by:

- (1) Requiring the Office of State Planning (OSP), rather than the Office of the Governor, to develop a quality growth policy based upon the criteria enumerated in Section 223-2, Hawaii Revised Statutes (HRS);
- (2) Stipulating that insofar as it is the State's policy to encourage an increase in economic activities and employment opportunities on the Neighbor Islands under its Quality Growth Policy, population growth shall be balanced to prevent overpopulation of any one county; and
- (3) Requiring OSP to develop a strategic plan as part of its Quality Growth Policy under Chapter 223, HRS, and specifying that the plan shall diversify industrial development and population growth to prevent overpopulation or overdevelopment of any one county within the State.

OSP testified in support of the intent of the bill and suggested changes to the language stated in S.B. No. 3, S.D. 1.

In its discussion, your Committee noted that overpopulation and overdevelopment of any segment of the population within the State are indeterminate terms that are relative to other populated areas, and therefore, it is difficult to develop definitive criteria for these terms.

Accordingly, your Committee has amended the bill by:

- (1) Eliminating references that the plan by OSP shall be to prevent overpopulation or overdevelopment of any one county within the State;
- (2) Specifying that the strategic plan by OSP shall diversify economic development and monitor population growth within the State, rather than to diversify industrial development and population growth;
- (3) Substituting the term "economic development" for "industrial development" in Section 1 of the bill; and
- (4) Making a technical, nonsubstantive amendment to the term "neighbor islands" to reflect the proper Ramseyering style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3, S.D. 1, H.D. 1, and be referred to the Committee on Intergovernmental Relations and International Affairs.

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

SCRep. 953 Economic Development and Business Concerns on S.B. No. 5

The purpose of this bill is to clarify state objectives and policies for facility systems with regard to transportation by amending Chapter 226-17, Hawaii Revised Statutes, of the Hawaii State Planning Act. Specifically, this bill:

- (1) Specifies that planning for the State's facility systems with regard to transportation shall be directed towards achieving a statewide transportation system that, in addition to being consistent with planned growth objectives throughout the State, shall also accommodate planned growth objectives throughout the State; and
- (2) Stipulates that with regard to achieving the transportation objectives, it shall also be the State's policy to coordinate land use and development activities with existing and potential transportation systems so that traffic impacts from these activities will be fully and adequately mitigated.

The Office of State Planning and the Department of Transportation testified in support of the basic intent of the bill. Your Committee also received written comments from the Leeward Oahu Transportation Management Association (LOTMA) and the Chamber of Commerce of Hawaii (Chamber). In their joint testimony, LOTMA and the Chamber indicated that while they advocate coordination of land use and transportation activities between the public and private sectors and intergovernmentally, they are concerned with the possible impacts of the proposed transportation policy statement in Section 226-17(b)(12), HRS, of S.B. No. 5, S.D. 1, on housing and economic development policies, and therefore recommended language in lieu of that which was stated in the S.D. 1 version of the bill.

Upon consideration, your Committee has amended the bill by changing Section 226-17(b)(12), HRS, of the bill to read: "Coordinate intergovernmental land use and transportation planning activities to ensure the timely delivery of supporting transportation infrastructure to accommodate traffic impacts of planned growth objectives." A technical, nonsubstantive amendment was also made by hyphenating the word "non-polluting" to reflect what is currently stated in the HRS.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 5, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 5, S.D. 1, H.D. 1, and be referred to the Committee on Transportation.

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

SCRep. 954 Economic Development and Business Concerns on S.B. No. 229

The purpose of this bill is to authorize the issuance of \$6,000,000 in special purpose revenue bonds to assist ETV Hawaii/Elephant Television, Inc.

Favorable testimony on this bill was received from ETV Hawaii/Elephant Television, Inc., (ETV).

Your Committee finds that the film industry is a means to diversify the State's economy. ETV proposed to create a facility on Maui which would provide high quality television and motion picture production training to students throughout the State. As part of their education, training with interactive multimedia computer software would be provided. Interactive multimedia is the cutting edge of communications in the global market and represents a new, important, and rapidly expanding global industry that would be highly beneficial for Hawaii.

Your Committee further finds that this project was already approved by the Legislature and the Governor in 1991 in Act 278, Session Laws of Hawaii 1991 (Act 278). However, Act 278 incorrectly referred to ETV as a "processing" enterprise rather than as an "industrial" enterprise. This bill corrects the error by recasting the language in Act 278 and repealing Act 278.

Your Committee has amended this bill as follows:

- (1) Added the phrase "or a Hawaii nonprofit corporation established by or under the auspices of ETV Hawaii/Elephant Television, Inc.," at page 2, lines 6 and 10; and
- (2) Extended the authorization to issue special purpose revenue bonds from 1994 to 1995.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 229, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 955 Economic Development and Business Concerns on S.B. No. 711

The purpose of this bill is to allow the High Technology Research and Development Corporation (HTDC) to expend up to five percent of its appropriated Small Business Innovative Research (SBIR) funds in each fiscal year to conduct educational meetings and workshops, and to enhance their competitiveness for receiving federal and state grants.

Your Committee received supporting testimony from HTDC. HTDC noted that more Hawaii companies must be introduced to the opportunities available through the SBIR and that education and assistance must be regularly provided

on how to prepare winning proposals. HTDC also indicated that if the 1993-1994 fiscal year budget request for \$250,000 is approved for the SBIR Grant Program, \$12,500 of that sum would be available for informational and educational programs to assist new companies.

Although the five percent of the moneys from the Hawaii SBIR Grant Program would not substantially detract from the benefits provided by the Hawaii SBIR Program, your Committee encourages that moneys to inform and familiarize companies with federal and state grant programs be expended from HTDC's annual operating budget. The flexibility afforded by using the five percent of the Hawaii SBIR Program funds should only be used as a last resort.

A technical, nonsubstantive amendment was made to correct a grammatical error.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, M. Ige and Tam.

SCRep. 956 Economic Development and Business Concerns on S.B. No. 1851

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

The Department of Business, Economic Development, and Tourism and C. Brewer Company, Limited, testified in support of this bill.

Your Committee finds that initial projections of the project's benefits to Hawaii County and the State include:

- (1) Crop diversification and re-forestation of up to 10,000 acres;
- (2) The creation of up to 250 jobs; and
- (3) A positive strategic response to the impending closure of the Hilo Coast sugar facility.

The immediate impact on area residents includes upgrading of workplace technology with concomitant rise in level of job skills. It is also anticipated that this project will generate indirect long-term benefits such as soil preservation and enhanced air quality from the reforestation of converted sugar lands.

Your Committee has amended this bill to insert authorization to issue \$50,000,000 in special purpose revenue bonds.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1851, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1851, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 957 Intergovernmental Relations and International Affairs on S.B. No. 1824

The purpose of this bill is to provide the individual counties with indemnification for injuries or damage, not arising from negligent maintenance activities, involving housing developed under Act 15, Session Laws of Hawaii 1988 (Act 15).

Your Committee received testimony in favor of this measure from the Housing Finance and Development Corporation, the Council Chair of the Maui County Council, and the City and County of Honolulu's Department of Land Utilization. Testimony in opposition to this measure was submitted by the City and County of Honolulu's Board of Water Supply.

Your Committee finds that a thirty-year indemnification period from the date of dedication of the public facility or project is necessary to protect the counties from any claims that may be filed against them for construction of public facilities that were approved under Act 15. For that reason, your Committee did not make any amendments to S.B. No. 1824, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1824, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1824, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon, Hagino and Ward.

SCRep. 958 Intergovernmental Relations and International Affairs on S.B. No. 1680

The purpose of this bill is to extend Act 15, Session Laws of Hawaii 1988 (Act 15), for one additional year.

Your Committee received testimony in qualified support of this measure from the Housing Finance and Development Corporation (HFDC) and the Council Chair of the Maui County Council. Testimony in opposition to this measure was received from the City and County of Honolulu's Department of Land Utilization, Department of Public Works, and Board of Water Supply.

Your Committee finds that the issue of housing is most pressing as the need for adequate, affordable housing grows with each passing year. However, your Committee strongly feels that despite the urgency to build affordable homes and rentals, the integrity of the final product is of utmost importance. For that reason, your Committee finds that it is crucial that county zoning codes not be superseded by legislation intended to help "fast track" many of the State's housing projects. Instead, your Committee would like to see existing or new HFDC projects constructed according to Chapter 201E, Hawaii Revised Statutes (HRS).

Mindful of the master planned communities that are already in the process of being built, your Committee has amended this bill by:

- (1) Deleting the repeal date of Act 15;
- (2) Identifying the only three currently existing projects that HFDC may continue to construct, renovate, or otherwise improve the land, public facilities, and dwelling units on using Act 15; and
- (3) Requiring all other existing or new projects be constructed according Chapter 201E, HRS.

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

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1680 S.D. 2, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Hagino and Ward.

SCRep. 959 Energy and Environmental Protection on S.B. No. 1361

The purpose of this bill as received by your Committee is to amend Chapters 342G, Integrated Solid Waste Management, and 342H, Solid Waste Pollution, Hawaii Revised Statutes, to allow State regulation of the transport and disposal of petroleum-contaminated soil. The bill includes a section to be added to Chapter 342H, which requires that persons transporting petroleum-contaminated soil obtain a permit from the Department of Health. The bill also appropriates funds for enforcement.

Various citizens, environmental groups, and agencies, including the Department of Health, City and County of Honolulu, Oahu Rainforest Action Group, Sierra Club, Waste Management of Hawaii, Pacific Thermal Services, and RCI Environmental, testified in support of the bill.

Various individuals and the Rainforest action group strongly supported the intent of the bill, which would partially close a loophole in federal laws excepting petroleum products from regulation under federal hazardous waste statutes. Many of these testifiers stated that the bill would help to prevent events like the recent attempt of UNOCAL to sell petroleum-contaminated soil to the Marshall Islands.

The Department of Health (Department) supported the intent of the bill, but requested that the permit section be deleted. The Department argued that this section would cause costly delays in the clean-up of contaminated sites. The Department testified that given its limited staff and resources it would be unable to issue permits in a timely manner, and that even with adequate funding, the lag time in bringing the permitting program up to speed would be at least a year.

The City and County of Honolulu concurred with the intent of the bill. The City as well as Waste Management of Hawaii, Inc., recommended that the permit provisions be amended to narrow their scope to petroleum-contaminated soil, alone, in order that the transport of ordinary refuse be exempted from permit requirements.

Your Committee was told by the Department of Health that the provisions of the permit section questioned by the City, and which make the Section applicable to "waste regulated pursuant to" Chapter 342H, were inadvertently added when the bill was amended to limit the Section's applicability to the transport of petroleum-contaminated soil. Your Committee has removed this language and thereby amended the bill in accordance with the City's recommendations.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1361, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 960 Energy and Environmental Protection and Judiciary on S.B. No. 1202

The purpose of this bill as received by your Committees is to create a new Chapter in the Hawaii Revised Statutes which is the legal mandate for a Nonpoint Source Pollution Program, (Program), in the Department of Health. The

Program is to implement Hawaii's nonpoint source pollution (NPSP) assessment report and management plan, which has been approved by the United States Environmental Protection Agency and the governor. The bill identifies the scope of the program by providing definitions for terms including "nonpoint source pollution" and "State waters." The duties and powers of the Program are also described by the bill, which directs the Program to identify NPSP pollutants in the State's waters; develop plans and policies to mitigate and control NPSP in coordination with the requirements of federal law; encourage public participation as well as utilize public expertise in coordination with that of the regulatory community, business, and industry; and implement program plans as well as facilitate and encourage the best management practices with regard to controlling NPSP in State waters. The bill also appropriates funds for Program staff and administrative costs.

In 1987, Congress amended the federal Clean Water Act to include a section requiring the development of a nonpoint source pollution assessment report and management plan by each state. The Hawaii State plan to be implemented by this bill was prepared using federal grants under Sections 205(j)(5) and 319(h) of the Act, as well staff on loan from federal agencies. Section 205(j)(5) funds are no longer available, and the only federal funds remaining that would allow implementation of the plan, are those under Section 319(h), which require matching funds from the State.

The Department of Health, Hawaii Planter's Association, National Resources Defense Council, Sierra Club, University of Hawaii Water Resources Center, and the U.S. Department of Agriculture Soil Conservation Service testified in support of this bill.

The Water Resources Research Center of the University of Hawaii testified that it had confirmed through its research efforts that NPSP is a major contributor to stream and ocean water pollution and cannot be ignored if the State's waters are to be protected and improved.

The U.S. Department of Agriculture Soil Conservation Service testified that establishment of a NPSP Program with permanent staff and viable funding would provide numerous benefits to the State. Among those benefits would be an improvement in the water quality of Hawaii's ocean and surface waters that would increase Hawaii's value as a visitor destination and would reduce the necessity of dredging sediments from the State's harbors, bays, rivers, and streams. The NPSP Program would be a qualified voice able to evaluate federal mandates and programs relating to NPSP and determine whether such mandates and programs would be justified and suitable for Hawaii. In addition, the Program would address the leaching of nutrient and pesticide pollutants before these pollutants affected Hawaii's ground water.

The Sierra Club testified that NPSP has seriously degraded our near shore waters and is not only a potential threat to human health, but is also destructive of fisheries and the quality of our State environment. The Sierra Club supported the bill, but stated that the bill lacks provisions allowing enforcement of any rules promulgated by the Program. The Sierra Club testified that the State's environmental enforcement program has been criticized as being chronically underfunded and understaffed, and that Hawaii is viewed as being ten years behind the Mainland when it comes to active enforcement of environmental regulations. The Sierra Club suggested that the bill be amended to include language allowing the Program to fine violators, and in addition, that a provision similar to that in 342B-56, Hawaii Revised Statutes, be included to authorize citizens to bring suit against any person violating the NPSP laws or regulations.

The Hawaii Sugar Planters' Association, (Association), testified that it supported the bill so long as it provided the needed mechanism for coordinating the many agencies whose expertise and existing programs were necessary to address the problem of NPSP pollution. The Association testified that it did not believe that enforcement provisions were appropriate or necessary at this time, but could be added as the program developed.

The Department of Health, (Department), testified that it strongly supported enactment of the bill. The Department stated that the bill would provide Federal Program managers, who provide funds to the State of Hawaii, with the assurance that that the State is committed to supporting existing efforts and the continued development of a NPSP control program, and would also lay the foundation for development of the program in the future. The Department stated that it is currently administering a voluntary NPSP program funded entirely by Federal grants, and staffed by three temporary employees including a planner, and two employees on loan from the U.S. Department of Agriculture Soil Conservation Service. The Department could not support the appropriation provision because of the State's fiscal limitations.

Your Committee agrees that a NPSP Program with the ability to enforce laws and regulations for the protection of our State's waters is essential for the community's health and well-being, as well as to ensure that our island environment, the basis of our tourist industry, is protected and improved. After careful consideration, your Committee has replaced the text of S.B. No. 1202, S.D. 2 with the House version of the bill, H.B. No. 424, H.D. 2. The House version contains the basic language of the Senate bill and also includes provisions which address the concerns of your Committee, as well as those testifying before your Committee. The amended version of S.B. No. 1202, S.D. 2:

- 1) includes a definition of non-point source pollution;
- 2) requires the Program to work cooperatively with state, county, and federal agencies to facilitate the identification and monitoring of waters that cannot reasonably attain or maintain State water quality standards and goals without additional NPSP control;
- 3) specifies additional Program powers to facilitate enforcement of Program regulations, including the power to enter and inspect buildings and other areas, inspect records, and conduct tests to assess the environmental effects of pollution;
- 4) provides for civil penalties of not more than \$10,000 for each violation of rules promulgated by the NPSP Program, and not more than \$5,000 per day for obstructing inspection by Program inspectors;;
- 5) requires any fine or penalty collected be placed in the Environmental Response Revolving Fund pursuant to Section 128D-2.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1202, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1202, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Cachola, Oshiro and Peters.

SCRep. 961 Tourism on S.B. No. 1592

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for the Aloha Festivals cultural and educational programs.

Your Committee received testimony in support of this bill from the Honolulu City Council, the Department of Business, Economic Development and Tourism, Aloha Festivals, the Hawaii Hotel Association, KITV-4, Starr-Seigle-McCombs Advertising, Royal Hawaiian Shopping Center, Honolulu Publishing, Aloha Tower Associates, Kaahumanu Center, Honolulu Club, Ernst and Young, Coca-Cola Bottling Company, Outrigger Prince Kuhio, Bank of Hawaii, and several private citizens.

Your Committee finds that the Aloha Festivals, formerly known as "Aloha Week," has become an enduring celebration of Hawaii's unique cultural diversity. Expansion of the festivals by appropriating funds in addition to the \$245,000 allocated in the biennial budget would bring considerable economic benefit to the state by increasing the number of visitors attracted to Hawaii and by enhancing the cultural experience for the visitors.

Your Committee further finds that the event itself provides considerable economic benefit to Hawaii and also gives Hawaii tremendous television exposure that promotes Hawaii as a visitor destination. The National Floral Federation has ranked the Aloha Festivals parade as the number 3 floral parade in the nation, behind the Pasadena Tournament of Roses and the Portland Rose Festival, and the Aloha Festivals floral parade has the highest rated segment in the CBS "Macy's All-American Thanksgiving Day" program. Unfortunately, the CBS parade coverage is jeopardized by the declining number of floats in the parades, caused by financial hardship on the part of the companies that provide the funds and manpower to build the floats.

In addition, your Committee finds that the Aloha Festivals organization handles the parade and 234 cultural events on six islands over six weeks through the efforts of a paid staff of less than 10 full-time-equivalent positions and nearly 30,000 volunteers. The festival organizers manage to accomplish all of the above through careful budget stretching, such as by spending on the entire floral parade the same amount that Pasadena spends on its Grand Marshal alone, through the widespread and generous support of private businesses, and through heavy reliance on its army of volunteers, who not only donate their time, but often pay for a large portion of their own expenses, which can amount to considerable sums, particularly for members of the Royal Court.

Your Committee revised the bill by:

1. Amending the purpose section to reflect the intent of House Bill No. 2103;
2. Stating that the funds be used for expansion of the Aloha Festivals;
3. Appropriating \$250,000 for fiscal year 1993-1994 rather than an undesignated amount for the fiscal biennium 1993-1995;
4. Requiring equal matching funds from additional sources, in cash or in kind; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1592, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1592, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 962 Tourism on S.B. No. 1076

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for the Royal Hawaiian Masters Rugby Festival, provided that all funds must be equally matched by private contributions.

Your Committee received testimony in support of this bill from the Royal Hawaiian Masters Rugby Festival, The CAB/Trade Wind Taxi, and several private citizens.

Your Committee finds that there exists a tremendous potential market for an international limited-contact, 35-years-and-older rugby tournament such as that organized by the Royal Hawaiian Masters Rugby Festival, and that development of the concept could bring considerable economic benefit to the state by inducing increased travel to Hawaii.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
2. Requiring the Royal Hawaiian Masters Rugby Festival organizers to work closely with the Department of Business, Economic Development and Tourism;
3. Requiring the department to report on the feasibility of expansion of the rugby tournament, potential economic impact of travel generated by the expanded tournament, and evaluation of the effectiveness of the tournament, to include an assessment of how this event contributes to the development of event organizing skills; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1076, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 963 Energy and Environmental Protection and Judiciary on S.B. No. 1410

The purposes of this bill are to:

- (1) Protect the health, safety, and welfare of the residents of this State from the release of hazardous substances by establishing the Hawaii Emergency Planning and Community Right-To-Know Act;
- (2) Establish a motor oil recovery program and require automotive motor oil importers to pay an assessment for each quart of packaged motor oil;
- (3) Establish an environmental response tax on liquid fuel;
- (4) Establish a solid waste management surcharge;
- (5) Establish a glass recovery program and require glass packaging importers to pay an assessment for each glass container; and
- (6) Establish a white goods recycling/disposal program and require retailers and others to pay a fee for each white good delivered by wholesalers.

Your Committees note the actions taken by the Senate to consolidate various bills into one measure. As a result, a large number of agencies and organizations testified on various aspects of the bill -- many supported certain sections and opposed other parts. The following testified on this bill: the Department of Health; the Department of Taxation; the Department of Business, Economic Development, and Tourism; the Department of Defense; the City and County of Honolulu Department of Public Works and Board of Water Supply; the County of Maui's Department of Public Works and Waste Management; Hawaiian Electric Company; Chevron USA; The Recycling Association of Hawaii; the Hawaiian Sugar Planters' Association; Sierra Club, Hawaii Chapter; the Association of Home Appliance Manufacturers; the Hawaii Transportation Association; and the Tax Foundation of Hawaii.

Many were opposed to the requirement to deposit the user fees into the general fund instead of being earmarked for the DOH's programs.

Your Committees find that:

- (1) The Administration had proposed to replace funding for most of DOH's environmental management programs (HTH 840: Environmental Management) with "a sweeping new package of fees and special funds." "This change in funding is based upon the principle that 'the polluter pays.'" As a result, no general funds were requested in H.B. No. 1152 (the General Appropriations Act of 1993), as introduced. Many of the proposed fees that would make up for the loss are contained in this bill, as received. However, this bill differs from the Administration's proposal in one important way: rather than having the fees be deposited into special funds and thereby directly benefit the paying polluter, this bill proposes to deposit the fees into the general fund.
- (2) When the House crossed over H.B. No. 1152, H.D. 1, to the Senate, it inserted \$3.8 million in general funds to HTH 840;
- (3) At the same time, the House also supported the establishment of:
 - (a) A tax of six cents per barrel of crude oil or petroleum products. These revenues would be deposited into the environmental response revolving fund and used to support state oil spill prevention, response, and clean-up programs (H.B. No. 1194, H.D. 2); and
 - (b) An environmental health program enhancement and education fund to educate the public and provide training opportunities for staff (H.B. No. 2027, H.D. 1); and

- (4) There is a major need for the State to achieve Federal Subtitle D landfill exemption status within the next several months or could be forced to close landfills due to inadequate environmental quality controls. As a result, the Office of Solid Waste Management needs additional funds.

Accordingly, your Committees have amended this bill by deleting the substance and inserting therefor the following:

- (1) In Part I, the language from H.B. No. 1194, H.D. 2, that establishes the tax of six cents per barrel of crude oil or petroleum products;
- (2) In Part II, the language from H.B. No. 2027, H.D. 1, that establishes the environmental health program enhancement and education fund; and
- (3) In Part III, new language that establishes a solid waste management surcharge of \$.75 per ton of solid waste disposed of at solid waste disposal facilities. Revenues would be deposited into a new environmental management special fund and be used to support the solid waste management program.

When combined with the general funds inserted into H.B. No. 1153, H.D. 1, your Committees find that this bill basically restores funding to the environmental management program to enable it to maintain its operations.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1410, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1410, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Cachola, Oshiro and Peters.

SCRep. 964 Energy and Environmental Protection on S.B. No. 732

The purpose of this bill is to authorize the Director of Health to establish an emissions reduction credit banking and trading program. Revenues generated by the sale of emissions reduction credits would be shared equally between the State, the county, and the seller.

Hawaiian Electric Company supported the intent of the bill but opposed its current form, because it does not provide an economic incentive for emissions reduction. The Department of Health (DOH) opposed the bill, maintaining that existing statutes already allow the creation of such programs, and the Air Advisory Committee is currently discussing this concept. The Sierra Club also opposed this bill, because it believed such trading could preclude DOH review and community input.

After careful consideration, your Committee has amended this bill by deleting the substance and inserting therefor new material the purposes of which are to require:

- (1) The publishers of newspapers with a circulation of 25,000 or more per week to utilize newsprint containing recycled paper in the publication of their newspapers; and
- (2) The preparation of an environmental assessment for actions which propose any use that may adversely affect areas designated as critical habitats pursuant to the Endangered Species Act of 1973.

Because this amended version of the bill had been circulated earlier for comment, your Committee also received testimony on this House draft. A concerned individual supported the substitution of both amendments, and the Hawaii Publishers Association also offered comments on these amendments.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 732, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 732, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Nekoba and Takamine.

SCRep. 965 Water and Land Use Planning and Transportation on S.B. No. 1397

The purpose of this bill is to establish within the Department of Land and Natural Resources, a trails and access program to carry out the purposes of the Hawaii statewide trail and access system (Na Ala Hele system), including the management, maintenance, and development of trails and accesses under the Na Ala Hele system.

The Department of Land and Natural Resources confirmed with the Federal Highway Administration that although moneys from the portion of the fuel tax used for off-road vehicles had to be dedicated to the trails program to receive federal funds, the funds did not have to be directly transferred from the highway tax. They could be put into a trails budget through a general fund appropriation, therefore providing the minimum base funding needed for the trails program to qualify for the National Recreational Trails Fund Act.

Your Committees received testimonies from the Department of Land and Natural Resources, the Department of Taxation, the Tax Foundation of Hawaii, and from various trail and access users.

Your Committees have amended this bill by deleting the effective date and by making technical nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Water and Land Use Planning and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1397, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1397, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hagino, Tajiri, Takamine, Yonamine, Thielen and Ward.

SCRep. 966 Water and Land Use Planning on S.B. No. 1864

The purpose of this bill is to authorize the withdrawal of a portion of land from Governor's Executive Order No. 3061 covering the Maluhia Hospital, Kapalama, Oahu, to develop and construct elderly senior citizen housing.

Your Committee finds this elderly housing project selected for funding by the United States Department of Housing and Urban Development (HUD) under Section 202 Capitol Advance program. The HUD Section 202 program will provide the project with a forty year capitol advance for the construction of the project and for rental assistance to low income tenants. The federal funds will lapse in September 1993.

In testimony, the Department of Land and Natural Resources stated the Board of Land and Natural Resources at its June 8, 1990 meeting, voted to recommend to the Governor the issuance of an executive order withdrawing approximately one acre from the operation of Governor's Executive Order No. 3061 and, to authorize the direct lease of the aforementioned area to the Hawaii Housing Authority for elderly senior citizen housing.

Your Committee received favorable testimony from the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1864, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanohe, Tajiri and Thielen.

SCRep. 967 Hawaiian Affairs on S.B. No. 1028

The purpose of this bill is to require a plebiscite of Hawaiian and native Hawaiian citizens to determine issues relating to Hawaiian self-governance.

By way of background, there are currently over three hundred sovereign nations in America. And while it has been concluded that the State cannot confer sovereignty because Hawaii is not a national government, your Committee believes that the State should support the right of all Hawaiians to self-determination and self-governance by facilitating the efforts of all Hawaiians to establish a Hawaiian Sovereign Nation.

While most of the testifiers had some concerns about certain aspects of the bill:

- (1) The Department of Hawaiian Home Lands, the Hou Hawaiians, and The Aged Hawaiians and The Have Nots generally supported this bill;
- (2) The Office of Hawaiian Affairs, Ka Lahui Hawaii, and a concerned individual generally supported the intent of this bill, with certain major amendments; and
- (3) The Pro-Hawaiian Sovereignty Working Group, Ka Pakaukau, and The Royal Order of Kamehameha opposed the bill.

Another concerned individual also submitted testimony.

After due consideration of this bill, your Committee has amended this bill by deleting the substance and inserting therefor the provisions of H.B. No. 1992, H.D. 1, whose purpose is to facilitate the efforts of all Hawaiians to establish a Hawaiian Sovereign Nation by:

- (1) The convening of a Hawaiian Constitutional Convention so that all Hawaiians may openly and freely discuss the forms of nationhood available to develop an organic document; and
- (2) The conduct of fair, impartial, and valid elections, including:
 - (a) A referendum election;
 - (b) An election of constitutional convention delegates; and
 - (c) A ratification election of the Hawaiian people so they may select a form of nationhood to govern Hawaiian lands, revenues, natural and cultural resources, and other matters relating to their self-determination and self-governance.

Your Committee is in agreement that the State should facilitate the efforts of all Hawaiians to establish a Hawaiian Sovereign Nation by providing for the convening of a Hawaiian congress, or constitutional convention, so that the

Hawaiian people may develop an organic document, which would then be subject to a ratification election, should the Hawaiian people decide initially, through a referendum election to have a constitutional convention.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1028, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1028, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 968 Hawaiian Affairs on S.B. No. 1027

The purpose of this bill is to establish a salary commission for the members of the Board of Trustees for the Office of Hawaiian Affairs (OHA); provide an annual full time salary to the members of the Board; and require the Legislative Auditor to conduct an annual review of the performance of all Trustees.

The OHA Trustee Compensation Advisory Commission and OHA testified in support of this bill.

Your Committee finds that the needs and priorities of the Hawaiian community have expanded and changed since the establishment of OHA. In order to accommodate this expansion and change, OHA has increased their programs and broadened their responsibilities. Therefore, your Committee believes that it is beneficial to provide a salary to the members of the Board of Trustees which will allow them to work on meeting the needs of their beneficiaries on a full time basis with no other commitments to outside employment.

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

- (1) Inserting a \$37,000 salary for the Chair and \$32,000 salary for any other member of the Board;
- (2) Deleting the exemption of retirement benefits for Trustees;
- (3) Providing for an allowance to cover expenses associated with the duties and responsibilities of the Trustees;
- (4) Requiring the Legislative Auditor to conduct an audit of OHA at least once every four years;
- (5) Inserting an appropriation of \$146,500 for fiscal year 1993-1994 and \$146,500 for fiscal year 1994-1995 which covers only the salaries of the Trustees. Additional costs to carry out the purposes of this Act are currently being analyzed; and
- (6) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1027, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1027, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 969 Labor and Public Employment and Intergovernmental Relations and International Affairs on S.B. No. 920

The purpose of this bill is to grant water safety officers of the State and counties the same retirement benefits accorded to firefighters, correction officers, investigators of the Office of the Prosecuting Attorney and of the Attorney General, and narcotics enforcement investigators.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the City and County Department of Parks and Recreation, and the Honolulu City Council. The Department of Budget and Finance submitted comments along with proposed amendments. The Hawaiian Life Guard Association submitted testimony recommending that only the water safety officer class of employees be covered under this bill and that employees who elect to transfer to class A membership be granted the one time option to elect not to buy back their current years of service.

Your Committees recognize that if this bill is passed in its current form, Water Safety Officers would need to contribute almost twenty percent of their gross wages for retirement purposes. This may place a substantial financial burden on many employees who are not able to buy back the years during which they were non-contributory members, and thus they would feel compelled to remain as class C members.

Your Committees find that Water Safety Officers perform an important public service by saving lives at the risk of their own, and that this work demands superior physical conditioning and training. Therefore, your Committees have adopted the recommendations of the Hawaiian Life Guard Association and the Department of Budget and Finance by making the following amendments:

- (1) Changed all references to "lifeguard" to "water safety officer";
- (2) Deleted subparagraph 88-47(a)(1)(D) and the phrase "and lifeguards in service prior to January 1, 1994, who elected to become class A members," in subparagraph 88-47(a)(3) to allow water safety officers to

convert their past non-contributory service to the contributory plan on a voluntary basis. Such an election should be filed by December 1, 1993, and arrangements to purchase that service to commence by July 1, 1994;

- (3) Changed the date to December 31, 1993, in subparagraph 88-74(1)(F); and
- (4) Made technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Intergovernmental Relations and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 920, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 920, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Hagino and Shon.

SCRep. 970 Labor and Public Employment and Human Services on S.B. No. 1906

The purpose of this bill is to give the Executive Director of the Office of Youth Services (Executive Director) the authority to employ civil service exempt staff to administer the federal Juvenile Justice Delinquency Prevention Act (JJDPa) formula grant program.

The Office of Youth Services testified in support of this bill. The Hawaii Government Employees Association testified in opposition to the language of this bill and proposed amendments to your Committees. The United Public Workers testified in opposition to this bill indicating that they opposed giving the Executive Director the authority to dismiss staff at the Executive Director's pleasure.

Your Committees find that pursuant to Act 258, Session Laws of Hawaii 1991, the powers and duties of the Juvenile Justice Interagency Board and two civil service positions were transferred from the Department of the Attorney General to the Office of Youth Services in the Department of Human Services. To administer the formula grant program under the JJDPa, the Office of Youth Services should be given the discretion to choose people who would be most helpful in creating their master plan for administering the Act. Your Committees find that this bill would be a significant step in this direction.

Your Committees further find that the language providing the authority to dismiss staff at the Executive Director's pleasure and to fix compensation is made superfluous by the powers of the Director of Human Services pursuant to Chapter 26, Hawaii Revised Statutes.

Accordingly, your Committees have amended this bill by deleting the authority to dismiss staff at the Executive Director's pleasure and to fix their compensation. Your Committees have also made technical, nonsubstantive amendments to this bill.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1906, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1906, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Alcon, Arakaki, Ihara, Peters, Taniguchi and Ward.

SCRep. 971 Labor and Public Employment on S.B. No. 476

The purpose of this bill is to:

- (1) Provide additional death benefit options to beneficiaries of public employees who die in service, whether they are contributory or noncontributory members;
- (2) Allow noncontributory retirees to change their Option C beneficiary after retirement; and
- (3) Increase the death benefit from fifteen percent to thirty percent of the average final compensation for beneficiaries of a noncontributory member who dies due to a work-related accident.

Favorable testimony on this bill was received from the Employees' Retirement System, the University of Hawaii Professional Assembly, and the Hawaii Government Employees Association.

Your Committee finds that under current law, a contributory member's beneficiary designation form becomes void whenever there is a change in the member's marital status or upon the death of the named beneficiary. In these situations, the only death benefit payable is a lump sum payment comprised of the member's accumulated contributions and a portion of the member's annual salary. Your Committee further finds that certain inequities between contributory and noncontributory retirement plans regarding available benefits to surviving spouses and dependent children require correction.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 476, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Taniguchi.
(Representative Alcon voted no.)

SCRep. 972 Labor and Public Employment on S.B. No. 1422

The purpose of this bill is to allow the Department of Labor and Industrial Relations to adopt administrative rules pursuant to Chapter 91, Hawaii Revised Statutes, to implement the law. In addition, this bill proposes to amend Act 328, Session Laws of Hawaii, 1991, by extending the effective date of the family leave law for the private sector to July 1, 1994 due to the recently enacted federal legislation.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Government Employees Association, the Chamber of Commerce of Hawaii, and the Hawaii Nurses' Association Collective Bargaining Organization.

Your Committee is in agreement that this measure will allow time for the private sector and the Department of Labor and Industrial Relations to review and evaluate the federal legislation's impact on Hawaii's law.

A technical, nonsubstantive amendment has also been made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1422, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1422, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Taniguchi.

SCRep. 973 Labor and Public Employment on S.B. No. 879

The purpose of this bill is to authorize the University of Hawaii to withhold sums from a participating football coach's salary and pay those sums directly to the qualified coaches plan, under the Employee Retirement Income Security Act of 1974, as amended. The Department of Education and the University of Hawaii may purchase for the employee an annuity contract from an insurer who holds a Certificate of Authority under Section 431:3-201 or who offers an annuity contract qualified under 401(k) of the Internal Revenue Code, as amended.

The Department of Budget and Finance submitted testimony stating that they did not object to this measure since it does not affect the Employees' Retirement System and does not require employer contributions. Testimony in support of this measure was submitted by the Intercollegiate Athletic Office of the University of Hawaii.

Your Committee finds that full-time football coaches of the University of Hawaii Athletic Department who were employed after June 30, 1984 are noncontributory members of the Employees' Retirement System. As noncontributory members, they are not entitled to retirement benefits unless they have ten or more years of service. Since collegiate level football coaches generally do not remain at the same institution for that period of time, this measure would provide football coaches with the opportunity to participate in the retirement and savings program sponsored by the American Football Coaches Association using payroll deductions.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 879 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Taniguchi and Ward.

SCRep. 974 Labor and Public Employment on S.B. No. 1363

The purpose of this bill is to amend the Uniform Information Practices Act (Modified), Chapter 92F, Hawaii Revised Statutes, to clarify what information about employment-related misconduct may be disclosed and at what stage of the disciplinary process such disclosure may occur. Specifically, this bill provides that information may be disclosed thirty days after discipline has been sustained at the highest level of review and that the discipline of police officers is exempt from public disclosure.

Testimony in support of this measure was submitted by the University of Hawaii Professional Assembly, the Hawaii Government Employees Association, and the State of Hawaii Organization of Police Officers. The State Attorney General's Office, the Hawai'i Green Party, and Common Cause Hawaii submitted testimony in support of the purpose and spirit of this measure, but were opposed to the passage of this bill in its present form. Testimony against this measure was submitted by the Honolulu Advertiser, the Honolulu Star Bulletin, the Society of Professional Journalists, the Big Island Press Club, Code of Silence/Broken, and a professor at the University of Hawaii.

Your Committee finds from testimony presented that this bill serves an important purpose concerning the public's right to know about the nature of misconduct by public employees. Therefore, your Committee agrees with the intent of this bill to disclose appropriate information contained in employee records where it serves the legitimate public interest and safety as balanced against the employee's right to privacy.

Your Committee recognizes that although the police department is both honorable and professional, police officers should be held to a higher standard of conduct since they are responsible for the safeguarding and protection of human life. Your Committee is aware that the UIPA is intended to be a comprehensive public records law that promotes governmental accountability, while recognizing certain constitutional rights to privacy. In order for police officers to best serve the community, it is essential that they are confident that they will be treated fairly by the disciplinary system. Thus, your Committee has amended subparagraph 92F-14(b)(4)(B), page 1, line 19, to read "provided that this subparagraph shall not apply to the misconduct of police officers acting in an unofficial capacity;".

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1363, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1363, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representative Alcon voted no.)

SCRep. 975 Labor and Public Employment on S.B. No. 1555

The purpose of this bill is to allow state agencies to establish committees and subcommittees composed equally of management and employee personnel for the purpose of developing individual employee performance standards and measurements policies. The policies will be used by the agency and its operating units to evaluate the effectiveness and productivity of individual employees and to reward employee performance.

Testimony on this measure was submitted by the Department of Personnel Services, the Judiciary, and the Department of Education.

Your Committee finds that this measure would provide for more efficient government operations and encourages entrepreneurship by requiring the establishment of individual employee performance standards and measurements.

Your Committee, upon further consideration, has amended Section 2 of the bill by deleting the word "shall" in the proposed language of § -1(a) and instead substituting the word "may", to allow state agencies some flexibility in establishing committees and operating unit subcommittees.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1555, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1555, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Takumi and Taniguchi.

SCRep. 976 Hawaiian Affairs on S.B. No. 1744

The purpose of this bill as received by your Committee is to create a management regime for the island of Kaho'olawe and its waters which will be effective until such time that control of the island may be transferred to the sovereign native Hawaiian entity. Under the regime, control and management of the reserve by the Department of Land and Natural Resources (DLNR), is subject to the oversight of a Commission composed of representatives of the Hawaiian community as well as affected state and county agencies. In addition, uses of the island and its waters are restricted in perpetuity to restoration of the island, preservation and protection of the island's archaeological and environmental resources, and to the practice and revitalization of native Hawaiian custom and beliefs. The bill also provides for an appropriation of funds to be expended by the DLNR.

Your Committee heard testimony in favor of the bill from the Office of Hawaiian Affairs, the Protect Kaho'olawe Ohana, the Office of State Planning, and the County of Maui.

The Protect Kaho'olawe Ohana (PKO) testified that it had been steward for the island since 1980, under a Consent Decree signed in the *Aluli v. Brown* litigation between the PKO and the U.S. Navy. PKO stated that the bill addressed its main concerns, which were that the island be healed and that there be a revitalization of Hawaiian custom, belief, and practice on Kaho'olawe and in its surrounding ocean. The PKO requested that the amendments incorporated by the Committee in the House version of the bill, H.B. No. 2015, H.D. 2, be added to the Senate bill, which amendments include increasing the representation of the PKO, including the term "native Hawaiian" to define the kind of cultural, spiritual, and subsistence use limitations permitted on the island, and strengthening the State's commitment to require the Federal government to assume liability for the clean-up of the island.

The Office of Hawaiian Affairs, (OHA), testified that the bill acknowledged the crucial tie that the kanaka maoli have to the aina by reserving Kaho'olawe in perpetuity for the preservation and practice of the Hawaiian lifestyle. OHA emphasized that one of the most important objectives of the Hawaiian people with regard to Kaho'olawe was to secure access and availability, and that there should be assurance that the current level of access to the island not be diminished. OHA also stated that if possible, provisions relating to Federal liability for the clean-up should be strengthened.

The Office of State Planning, (OSP), stated that it supported the bill, which in establishing a management regime prior to any federal conveyance of the island to the State, made clear the State's intentions regarding Kaho'olawe. OSP stated its concern that there had been increased public activity in the waters around the island, and that in consideration of the danger from unexploded ordnance in the island waters as well as on the land, it was preparing emergency rules governing access to protect the health and safety of Hawaii's citizens and visitors. OSP also emphasized its strong commitment to

aggressively negotiate with the Federal administration and Congress to obtain full resources for clean-up and recovery prior to the conveyance of the island. OSP requested several amendments to clarify the provisions of the bill.

The County of Maui testified as to its concern that the three mile shoreline-to-sea boundary of the reserve would preclude commercial fishing in the waters off the island, and in particular, in the Molokini Shoals, because this fishing contributed heavily to the County's tax base and exceeded revenues from aquaculture.

After considering the testimony of the County of Maui, your Committee has amended the bill to include a new section on the subject of fishing. Your Committee has also amended the bill in accordance with the suggestions of OSP by:

1. Specifying that the Governor shall appoint the members of the commission, as required by Section 26-34, Hawaii Revised Statutes;
2. Replacing the term "develop" with "implement" in the provisions describing the role of the DLNR with regard to controls and permitted uses in the reserve, in order to clarify the role of that agency in the management regime.

In addition, OSP requested that this Committee include the following information in this Committee Report to facilitate OSP's conveyance negotiations with the Federal government. Because of the time needed to prepare the federal legislation necessary for the return of Kaho'olawe, OSP suggested that it may be more expeditious if the Finance Committee were to remove the appropriation provision, Section 3 of this bill, and provide for an appropriation in the operating budget as a proviso. OSP stated that \$137,500 would be sufficient to pay for one full-time staff member for the Commission, as well as for modest operating expenses, with the DLNR as expending agency. OSP stated that expedited enactment would make the State's intent known in a manner that is timely in relation to the report of the Kaho'olawe Island Conveyance Commission, which will submit its findings to Congress after March 31, 1993.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1744, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1744, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 977 Tourism on S.B. No. 871

The purpose of this bill is to:

1. Require the convention center development to include at least 200,000 gross square feet of exhibition space and provide capability for expansion;
2. Designate a convention center on the Ala Wai Golf Course;
3. Set the expiration date of the Convention Center Act at 1998 rather than 1994; and
4. Appropriate an undesignated amount to the convention center development revolving fund.

Your Committee received testimony on this bill as follows:

1. In support: Queen Emma Foundation, Hilton Hotels Corporation, Hilton Hawaiian Village, and several concerned citizens;
2. In support of the intent: Hawaii Convention Park Council, and Bank of America;
3. In opposition: Outdoor Circle, McCully/Moiliili Neighborhood Board No. 8 Transportation and Planning Committee, and several concerned citizens;
4. Comments: Hawaii Hotel Association, and Waikiki Improvement Association.

Your Committee finds that Hawaii's lack of a world-class convention center will continue to hinder efforts to induce a recovery of the economy. National organizations such as the American Bar Association, the American Dental Association and the National Association of Realtors have stated that they will not choose Hawaii again as a location for their national convention without adequate facilities.

Your Committee also finds that the State's share of the land cost for the Ala Wai Gateway site, \$92,498,000 or 50 per cent of the total land cost, to be excessive, in light of the fact that the convention center occupies 23 per cent of the floor area of the entire complex.

Your Committee revised the bill by:

1. Removing the purpose section and the provisions relating to the convention center;
2. Adding a purpose section reflecting the need for a convention center;
3. Designating either the Ala Wai Gateway site or the former Aloha Motors site as the location of the convention center;

4. Providing that the Convention Center Authority shall manage the convention center upon construction, rather than upon dedication of the facility;
5. Providing that the authority shall have the power to review all plans and changes;
6. Empowering the authority to enter into cooperative agreements and stating that the convention center development plan shall be consistent with federal, state and county guidelines whenever possible;
7. Requiring that the convention center include an undesignated figure as a minimum total convention center floor area requirement;
8. Extending the date by which a development plan must be approved from 1994 to 1995;
9. Requiring that the developer deposit \$5,000,000 to guarantee the beginning of construction by June 30, 1995; and
10. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 871, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 871, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 978 Tourism on S.B. No. 1863

The purpose of this bill is to:

1. Authorize the State to develop a convention center with moneys from the Convention Center Development Revolving Fund;
2. Raise the transient accommodations tax rate from five to six per cent; and
3. Require an undesignated percentage of transient accommodations tax revenues to be deposited into the Convention Center Development Revolving Fund.

Your Committee received testimony on this bill as follows:

1. In support: Convention Center Authority, Maui County Council, and a concerned citizen;
2. In support of the intent: Hawaii Convention Park Council, Hawaii Business Roundtable, and Bank of America;
3. In opposition: Hilton Hotels Corporation, Hilton Hawaiian Village, and the Chamber of Commerce of Hawaii;
4. Comments: Department of Taxation, Department of Budget and Finance, Honolulu City Council, City and County of Honolulu Department of the Budget, Tax Foundation, Hawaii Hotel Association, ITT Sheraton,

Your Committee finds that the need for a world-class convention center expresses itself in every new report on Hawaii's slow visitor industry and its resulting economic problems. 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.

Unfortunately, fiscal constraints prevent the financing of the convention center by any one of the groups or entities advocating such a center. 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.

In light of the strong opposition to previous convention center funding proposals that would raise the transient accommodations tax rate or that would greatly reduce county transient accommodations tax revenues, your Committee finds that an alternative approach needs to be explored.

The proposed increase of the tax rate on the highest federal personal income bracket and the increase of the fuel tax will probably reduce discretionary income and discourage travel. Therefore it will not be prudent to raise State taxes, particularly the transient accommodations tax, which will further discourage travel to Hawaii.

The most feasible funding plan for the convention center, therefore, will need to be a cooperative effort combining the resources of multiple sources.

Despite the concerns raised by the Department of Budget and Finance, the House Tourism committee believes that the use of revenue from the transient accommodations tax and the general excise tax constitutes a user tax dedicated to

repaying the reimbursable general obligation bonds that will finance the convention center, as provided in the Constitution of the State of Hawaii, Article VII, Section 9.

The use of reimbursable general obligation bonds is preferable to revenue bonds because the Convention Center Authority has no track record and would not be able to sell revenue bonds at favorable interest rates. The State backing of the reimbursable general obligation bonds would enable the sale of bonds at lower rates, reducing the cost of the project to the State.

Your Committee revised the bill by:

1. Removing the purpose section and the provisions relating to the convention center and the transient accommodations tax;
2. Adding provisions for a "convention center capital special fund," administered by the Convention Center Authority, that will receive moneys from:
 - a. Transient accommodations tax collections beyond the 1991-1992 level;
 - b. The State's 5 percent share of transient accommodations tax collections up to the 1991-1992 level;
 - c. General excise tax collections from transient accommodations above the 1991-1992 level; and
 - d. Legislative appropriations, if necessary;
3. Specifying that the capital special fund will be used to repay the general fund for reimbursable general obligation bonds issued to finance the development and construction of a convention center at the Ala Wai Gateway or the former Aloha Motors site, provided that the state shall accelerate payment on the debt if possible and that the Legislature shall make appropriations to make up for any shortfall in the fund to service the debt in the unlikely event that such a need arises;
4. Declaring in the purpose section the Legislature's intent to repeal the capital special fund and the associated transient accommodations tax and general excise tax provisions;
5. Providing that the developer shall provide relocation assistance only if such a need exists;
6. Renaming the "Convention Center Development Revolving Fund" in section 206X-10, Hawaii Revised Statutes, to the "convention center operations revolving fund";
7. Providing that the sources of revenue of the operations revolving fund shall include but not be limited to income from operation of the center, parking lots and other concessions, and legislative appropriations for shortfalls, if necessary;
8. Allowing the Convention Center Authority to define revenues from convention center operations and to administer the fund;
9. Providing that the authority shall use the fund to pay for operation of the convention center and carry out the purposes of the convention center law;
10. Amending section 237-31, Hawaii Revised Statutes to provide for deposit of all general excise tax revenues from transient accommodations above the 1991-1992 level into the convention center capital special fund;
11. Amending section 237D-6.5, Hawaii Revised Statutes to provide for deposit into the capital special fund of:
 - a. The State's 5 percent share of transient accommodations tax revenues, up to the 1991-1992 level;
 - b. Transient accommodations tax revenues above the 1991-1992 level; and
12. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1863, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1863, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 979 Health on S.B. No. 1692

The purpose of this bill is to delete overlapping functions of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (HACDACS) and the State Council on Mental Health and Substance Abuse (Council).

This bill also:

- (1) Requires that a member of the Council be appointed to the membership of HACDACS;

- (2) Increases the membership of the Council to, in essence, include State residents who represent state agencies principally dealing with certain specified subject matter areas, public and private entities concerned with certain aspects of mental health services, adults with serious mental illness, families of adults or children with serious mental illness, and a member of HACDACS;
- (3) Clarifies the types of individuals for whom the Council should advocate, including individuals with combined mental illness and substance abuse disorders; and
- (4) Ensures the participation on service area boards of area residents who are either consumers or nonproviders of mental health services.

The Department of Health, testifying in strong support of the measure, informed your Committee that federal law separates mental health and substance abuse funding into two separate block grants. According to the Department, failure of the Legislature to pass this measure would delay service delivery to persons with mental health and substance abuse needs.

HACDACS, also testifying in support of the measure, confirmed that elimination of the duplication in functions between HACDACS and the Council is consistent with the recommendations of the State Attorney General and the provisions of the federal Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act.

Supportive testimony was also submitted by the Salvation Army.

The Council, testifying in strong opposition to the measure, emphasized that, as a practical matter, community needs for mental health and substance abuse services often overlap.

Testimony in opposition to the measure was also submitted by the Mental Health Association of Hawaii and a member of the Board on Mental Health and Substance Abuse.

In addition, comments were submitted by a private citizen.

While your Committee acknowledges the desirability of conforming with the federal block grant law and the recommendations of the State Attorney General, your Committee is also aware of the special problems faced by persons who are in the dual-diagnosis category, i.e., diagnosed as having both substance abuse and mental health problems. The separation of substance abuse and mental health functions, as proposed by this bill, must not result in the allowance of persons with dual-diagnosis to fall between the cracks.

Accordingly, your Committee has amended this bill to require that the Department of Health submit biannual status and progress reports to the Legislature describing the Department's actions and evaluating its effectiveness in addressing the needs of persons dually-diagnosed as having both substance abuse and mental health problems. An updated biannual report shall be submitted to the Legislature on January 1 and July 1 of each year, with the first report to be submitted to the Legislature on January 1, 1994.

This bill has also been amended by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1692, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1692, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 980 Health and Human Services on S.B. No. 1543

The purpose of this bill is to make the maternal care incentives demonstration project, the comprehensive perinatal care in needy areas demonstration project, and the medicaid patient delivery supplement demonstration project permanent programs within the Department of Health.

Testimonies from Kapiolani Medical Center, Healthy Mothers - Healthy Babies, the Interagency Council for Immigrant Services, Imua Rehab, Hawaii Medical Association, Single Parent Advocacy Network, Hawaii Nurses Association, Mothers Care and various other groups strongly support this bill. The Department of Health and Department of Human Services support the intent of the measure, but cannot support funding that would exceed the Executive biennium budget request.

It is recognized by your Committee that early prenatal care is an important factor in preventing preterm birth and the increased health risks associated with preterm deliveries. Your Committee also recognized that many people in Hawaii cannot afford adequate prenatal care and that this bill will provide a means of access to vital prenatal care and education that may otherwise be unavailable.

Accordingly, your Committee has amended this bill by inserting the word "program" wherever the word "project" was used. Language specifying the establishment of adjunctive eligibility for the Women Infant Children (WIC) program was also deleted because the eligibility for Hawaii's WIC program is set by the program's federal mandate and the State cannot establish any additional eligibility criteria.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1543, S.D. 2, as amended

herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1543, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 981 Health and Labor and Public Employment on S.B. No. 256

The purpose of this bill is to require employers to restrict smoking in their workplaces to designated smoking areas which are either within or easily accessible to the workplace. This bill also establishes a civil penalty for violation of designated smoking area restrictions.

Your Committees received testimony in support of this measure from the Hawaii Medical Association, the American Academy of Pediatrics, the Interagency Council on Smoking and Health, the American Cancer Society, the Healthcare Association of Hawaii, several students of the University of Hawaii School of Nursing, the Department of Health, the Hawaii Nurses' Association, the American Lung Association of Hawaii, the Hawaii Association of Realtors, the Hawaiian Islands Nonsmokers Organization, the Hawaii Medical Service Association, and several private citizens.

The Chamber of Commerce of Hawaii testified in opposition to the measure.

Your Committees have amended this measure by:

- (1) Specifying that a designated smoking area shall not be in a location where common air conditioning or ventilation systems recirculate environmental tobacco smoke to other areas of the workplace;
- (2) Providing that designation of smoking area provisions shall become effective on June 30, 1994;
- (3) Establishing a school smoking prevention special fund into which shall be deposited penalties recovered from employers for designated smoking area violations;
- (4) Providing that Sections 3 and 4 of the bill, relating to changing the title of Part I of Chapter 328K, Hawaii Revised Statutes, and the repeal of Part II of Chapter 328K, shall become effective on June 29, 1994; and
- (5) Making technical, non-substantive amendments for the purposes of style.

It is not the intent of your Committees to prohibit smoking or to pass moral judgment on smokers. Instead, by passing this bill out of committee, your Committees primarily seek to protect as many people as possible from the known health hazards of environmental tobacco smoke. Clearly, the recent report by the Environmental Protection Agency which classified environmental tobacco smoke as a class A carcinogen cannot be ignored. Neither can your Committees ignore testimony that nationally, 53,000 deaths per year are attributed to environmental tobacco smoke exposure, and that such exposure poses special health risks to expectant mothers and their children.

While your Committees are aware that the restrictions imposed by this bill may inconvenience some employers, it is emphasized that efforts have been made to minimize this inconvenience, such as not requiring employers to incur additional expense to carry out designated smoking area requirements.

Finally, your Committees regret that the bill may not address the reduction of environmental tobacco exposure among certain food service workers. It is urged that the Department of Health develop strategies to address this issue in the near future.

As affirmed by the records of votes of the members of your Committees on Health and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 256, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 256, S.D. 2, H.D. 1, and be referred to the Committees on Judiciary and Finance.

Signed by all members of the Committees except Representatives Alcon and Ward.
(Representative O'Kieffe voted no.)

SCRep. 982 Economic Development and Business Concerns on S.B. No. 2

The purpose of this bill is to authorize the County of Kauai (County) to make an application for the designation of all census tracts within the County as a State enterprise zone.

The Department of Taxation testified in opposition to this bill, noting that Chapter 234, Hawaii Revised Statutes, provides real property and general excise tax relief for claimants who have suffered losses due to damage or destruction of real or personal property resulting from a natural disaster.

The Department of Business, Economic Development, and Tourism (Department) testified in support of the general intent of this bill. The Department indicated that it did not support nomination of the entire island of Kauai as an enterprise zone, nor did it support any reduction in the statutorily-authorized lifespan of enterprise zones.

Accordingly, your Committee has amended this bill as follows:

- (1) Subsection (c) allows any census tract within Kauai County to be eligible for designation as an enterprise zone; and