

The purpose of this bill is to exempt the construction of educational facilities from state and county zoning and building requirements for five years.

Your Committee received testimony in favor of this measure from the Department of Education and the Chair of the Maui County Council.

As the need for educational facilities in the State escalates, action must be taken to assure that these facilities are built in a timely manner. Your Committee finds that exempting the construction of educational facilities from state and county zoning and building requirements will allow for a more streamlined process, and will in no way change the zoning, building, and wage standards that serve to protect the health and safety of our students.

Some concerns were also expressed by your Committee as to whether a more streamlined process would have an adverse affect on the environment. In order to address that concern, your Committee has amended this measure by including environment among the minimum requirements of health and safety, which must be met by the project.

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 H.B. No. 3739, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No 3739, H.D. 2.

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

SCRep. 462-94 Higher Education and the Arts on H.B. No. 2112

The purpose of this bill is to provide a program through which many of the costs associated with post-secondary education attendance may be paid in advance and fixed at a guaranteed level for the duration of undergraduate enrollment.

The University of Hawaii submitted testimony stating that the Legislative Reference Bureau completed a study recommending that the State not adopt any prepaid tuition plan. The University of Hawaii further testified that based on the experience of other states with prepaid tuition plans, the University concurs with the findings and recommendations contained in the Legislative Reference Bureau's study.

Your Committee finds that educational opportunity at the post-secondary level is a critical State interest and that it is best ensured through a guaranteed, fixed tuition savings plan. This bill would help to alleviate some of the costs of higher education, thereby providing education that is more affordable and accessible. In addition, this bill would also provide parents and legal guardians with an opportunity for timely financial planning for their childrens' post-secondary education and sets an educational goal that the entire family can work towards. However, your Committee has also expressed some concerns that only those families who can afford to pay for the college tuition in a lump sum can participate in this program.

Upon careful consideration, your Committee has amended this bill by deleting the substance and inserting therefor new material the purpose of which is to establish a special fund for tuition at the University of Hawaii into which shall be deposited moneys from parents or legal guardians who plan to send their child to one of the four-year campuses under the University of Hawaii system.

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 H.B. No. 2112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2112, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hagino, M. Ige, Shon, Taniguchi and Tanimoto.
(Representatives Beirne, Chumbley, Duldulao and Takumi voted no.)

SCRep. 463-94 Economic Development and Business Concerns on H.B. No. 853

The purpose of this bill is to appropriate funds for the planning and development of a community teleservice center in the Hamakua-Hilo coast area.

Your Committee recognizes that the establishment of a teleservice center in the Hilo-Hamakua coast would stimulate the economy in the area and provide job opportunities for sugar workers and other employees who were displaced from their jobs as a result of the decision to close Hamakua Sugar Company. A teleservice center would also be a benefit to the community, as it would be a positive alternative to commuting to work or commuting to gain access to public and private services and information.

In addition, the establishment of a teleservice center would provide essential support for new ventures in diversified agriculture, tourism, health services, and provide teleworking and other technical services for the community, thereby helping to diversify and broaden the State's economy.

Your Committee notes the efforts of the Department of Business, Economic Development, and Tourism (DBEDT) in examining the potential for an information processing center in the Hilo-Hamakua area. This is a significant factor in stimulating new business opportunities in Hawaii, as well as furthering the planning and implementation of a community

teleservice center in the Hilo-Hamakua coast area. Your Committee also notes that the participation of the various state agencies in the project and attention to the needs of the community in planning and implementing the center will be critical to its progress.

Your Committee received testimony in support of the intent of the bill from the Department of Transportation. DBEDT also testified in support of the intent of the bill, insofar as it does not replace the current priorities of the Administration's biennial budget. Supporting testimony was received from the Hilo Coastal Computer Society, the administration and staff at Honoka'a High School, and numerous other concerned citizens.

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

- (1) Replacing the term "teleservice center" for "telework center" throughout the bill, where appropriate;
- (2) Decreasing the appropriation sum from \$300,000 to \$1 for fiscal year 1994-1995, for the purposes of continued discussion;
- (3) Specifying that the appropriation shall be for the planning and implementation, and not the study of a community teleservice center in the Hamakua-Hilo coast area;
- (4) Indicating the efforts of DBEDT in examining the potential for an information processing center in the Hilo-Hamakua area; and
- (5) Indicating that the participation of the various state agencies in the teleservice center and attention to the needs of the community in planning and developing the project will be critical to its progress.

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 H.B. No. 853, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 853, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 464-94 Economic Development and Business Concerns on H.B. No. 854

The purposes of this bill are to require agencies to:

- (1) Determine the impact of their rulemaking action on small business in the State prior to the adoption, amendment, or repeal of any rule; and
- (2) Issue a statement that they have examined and have found that there are no viable alternatives to the proposed rulemaking action in cases where the impact of the rulemaking action is deemed harmful or detrimental to small business.

Your Committee received testimony from the Department of Business, Economic Development, and Tourism (DBEDT). DBEDT indicated that the bill would assist the DBEDT Director, as the Business Advocate within the Governor's Administration, in evaluating the impacts on business of all proposed rules or rule amendments. The bill would also help DBEDT to work with the originating agency to identify and analyze potential impacts on business. Your Committee also received testimony in support of the bill from the National Federation of Independent Business and the Small Business Council of The Chamber of Commerce of Hawaii.

Based on DBEDT's testimony, your Committee has amended the bill by:

- (1) Defining "small business" to mean businesses with fewer than one hundred employees; and
- (2) Clarifying that:
 - (a) In cases where the impact of the rulemaking action is deemed harmful or detrimental to small business, the agency shall examine whether there are any viable alternatives to the proposed rulemaking action; and
 - (b) If there are no viable alternatives, then the agency shall issue a statement that it has examined and has found that there are no viable alternatives to the proposed rulemaking action.

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 H.B. No. 854, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 854, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 465-94 Hawaiian Affairs on H.B. No. 3029

The purpose of this bill is to establish a native Hawaiian commercial fishing program in Kahana Valley State Park to demonstrate ancient and modern Hawaiian fishing techniques, build Hawaiian fishing canoes, and sell fish and other

marine products to commercial markets. This bill also creates a special fund for the deposit of all proceeds of the program.

Your Committee finds that throughout history, Hawaiians have relied on the fishery resources of the Hawaiian islands to provide basic sustenance to the people. Due to over exploitation, however, these resources appear to be in serious jeopardy.

The Main Hawaiian Islands Marine Resources Investigation Planning Workshop was convened in 1991 to examine alternatives to protect fishery resources. One recommendation of the workshop was to increase the involvement of fishery resource users through the establishment of community-based planning bodies comprised of fishermen, researchers, and managers. As an initial step, the approach would involve the development of community-based fisheries demonstration projects in certain areas of the State to illustrate the feasibility of the concept.

Your Committee finds that, given adequate support, these projects will demonstrate the feasibility of community self-reliance and will foster new sensibilities toward conserving fishery resources. In this regard, your Committee has amended this bill in its entirety by inserting amendments proposing the establishment of a new law relating to the development of community-based commercial fisheries demonstration projects. This bill establishes a community-based commercial fisheries demonstration project assistance program within the Department of Land and Natural Resources to assist community-based entities in the establishment and operation of these projects.

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 H.B. No. 3029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3029, H.D. 1, and be referred to the Committees on Ocean Recreation and Marine Resources and Water and Land Use Planning.

Signed by all members of the Committee except Representatives Lee and Tanimoto.

SCRep. 466-94 Labor and Public Employment on H.B. No. 979

The purpose of this bill is to change the amount of state and county contributions towards retirees' health premiums for people who retire after June 30, 1993.

Testimony in support of the bill was received from the Hawaii Business League, and the Department of Personnel for the City and County of Honolulu.

Testimony supporting this bill with suggested amendments was presented by the Hawaii Public Employees Health Fund of the Department of Budget and Finance.

Testimony in opposition to this bill was presented by UPW AFSCME Local 646 AFL-CIO, the Hawaii State Teachers Association, and a private citizen.

In Hawaii, we have always made a special effort to ensure that all citizens have access to the health care they need. Currently, Hawaii has one of the most generous retiree health plans in the nation. It is the Committee's intent that everyone in the current system retain all benefits they now hold.

Our generosity, however, has come with a high price tag. The cost of our government health premiums has increased at a rate of twelve percent for the last two years. We are now paying twice as much per retiree than for active employee health benefits. In these times of great fiscal stress, it is clear that we must take steps to preserve the integrity of the retiree health system while maintaining quality care, and ensuring fairness.

With these goals in mind, your Committee has amended H.B. No. 979 by:

- (1) Reducing state and county contributions towards retiree health premiums for those employees who are hired after January 1, 1995; and
- (2) Changing the effective date from July 1, 1993, to January 1, 1995.

Your Committee intends that this Committee report stand as a notice to future employees that they will be expected to make a partial contribution to their own health premiums after they retire. Again, the Committee wishes to stress that no current employee or retiree will have the terms of their retiree health benefits contract changed.

By requiring future employees to make a partial contribution to their health benefit premiums, we will prevent runaway cost increases, preserve the integrity of the current system, and still provide a generous and fair health system to our employees and retirees.

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 H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Takumi and Taniguchi voted no.)

SCRep. 467-94 Agriculture on H.B. No. 2792

The purpose of this bill is to appropriate funds to defray costs associated with a federal investigation of illegal dumping of foreign-grown macadamia nuts into the U.S. market.

Your Committee notes that in 1991, the Governor's Agriculture Coordinating Committee (GACC) was approached by the Hawaii Macadamia Nut Association (HMNA) to assist them in seeking an investigation into the illegal dumping activities of certain importers of foreign grown macadamia nuts into the United States. According to HMNA, it petitioned the U.S. Congress to conduct an international investigation, as provided for under the rules and regulations of the U.S. International Trade Commission.

In its testimony, HMNA indicates that based on verbal approval for funding by GACC, HMNA proceeded with its investigation, and subsequently an investigation was held. However, in November, 1991, HMNA was notified by the State Attorney General's Office that GACC would be unable to fund the moneys. According to GACC, the advice given by the Attorney General's Office is that legislative action is needed to appropriate funds for the payment of legal fees.

The moneys sought under this bill are to pay for legal fees which were necessary to guide HMNA's petition through the various government agencies in Washington.

HMNA's Board of Directors and members testified in support of the bill. Your Committee also received testimony from GACC.

Upon careful consideration, your Committee has amended the bill by specifying that the funds contained in the bill be to defray legal costs associated with a federal investigation of illegal dumping of foreign-grown macadamia nuts into the U.S. market.

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 H.B. No. 2792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2792, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Ishii-Morikami and Tam.

SCRep. 468-94 Agriculture on H.B. No. 3607

The purpose of this bill, as received by your Committee, is to appropriate funds for the replanting of sugar cane in Hamakua, Hawaii, so that alternate uses and products may be developed.

Upon extensive deliberation, your Committee has amended the bill by deleting the substance and inserting new material, the purposes of which are to:

- (1) Authorize the issuance of revenue bonds in the sum of \$15,000,000, for the purpose of constructing ethanol production facilities in the State;
- (2) Establish an Ethanol Production Facilities Revolving Fund for the production of ethanol products in the State;
- (3) Establish content and user requirements for fuel-grade ethanol;
- (4) Appropriate funds in the sum of \$250,000, to be paid into the Ethanol Production Facilities Revolving Fund; and
- (5) Require the Governor's Agriculture Coordinating Committee to:
 - (a) Submit monthly reports to the Legislature on the progress made to develop ethanol production facilities in the State; and
 - (b) Begin negotiation with an entity, in cooperation with the appropriate parties, to construct ethanol production facilities in the State.

Your Committee finds that the downturn in sugar production in Hawaii has increased efforts to find new employment opportunities in the State. As Hamakua Sugar Company plans its final harvest of sugar cane, a number of job initiatives are being examined and pursued to provide economic and employment opportunities in the wake of several company closures in the sugar industry. While job opportunities in the area of high technology, research and development, and diversified agriculture show promise, your Committee recognizes that any transition from the agricultural sector to another economic sector will be gradual. Workers will need to be trained and educated in new skills.

It is your Committee's strong belief that the continued cultivation of sugar cane to produce ethanol and related by-products shows significant potential for the State. The production of ethanol in Hawaii will not only assist in diversifying the State's economy and create new job opportunities, but will also sustain aspects of the sugar industry. In fact, the production of fuel-grade ethanol would provide the State with an alternative energy product to petroleum-based fuels. The production of ethanol would also further efforts to reduce the State's virtual reliance on petroleum-based fuels.

More importantly, however, the production of fuel-grade ethanol would enable a smooth and efficient transition for displaced sugar workers. Sugar lands would continue to be utilized by the growth of sugar cane and alternative crops as biomass feed stock to produce electricity and ethanol. Your Committee believes that the construction of ethanol

production facilities for the production of fuel-grade ethanol would serve the public interest, and fulfills a priority guideline of the State Plan, to provide needed jobs for Hawaii's people and to achieve a stable and diversified economy.

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 H.B. No. 3607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3607, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Ishii-Morikami and Tam.

SCRep. 469-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3596

The purpose of this bill is to establish the Vehicle Insurance State Fund Program (Fund) and to provide that, effective September 1, 1996, only one insurance company under a three-year contract with the Fund, may provide motor vehicle in each county. The bill permits funds to be raised from premiums on the exclusive contracts through increased motor vehicle registration fees, increased driver's license application and renewal fees, and a gas fee to be paid "at the pump."

Testimony in opposition to this bill was received from the Department of Commerce and Consumer Affairs, the Department of Taxation, Hawaii Independent Insurance Agents Association, Hawaii Insurers Council, Hawaii Transportation Association, State Farm Insurance Companies.

The Hawaii Academy of Plaintiffs' Attorneys recommended deferral of this bill until a comprehensive study is performed to determine the merits of the proposed bill.

Despite the apparent dearth of support for this bill, your Committee feels strongly that the present insurance crisis requires immediate action and innovative solutions. Therefore, your Committee has amended this bill to address many of the concerns of those testifying in opposition to the bill. In recognition of these concerns, your Committee has made the following amendments to the bill:

- (1) Welfare recipients are exempt from registration, but not pump fees;
- (2) Consortiums are created;
- (3) All reference to motorcycles and mopeds are deleted;
- (4) Funds are to be collected under existing fuel tax legislation but are regarded as insurance premiums, rather than taxes;
- (5) Defines permissible exemptions for self-insured;
- (6) Provides exemption for fleet operators and commercial haulers upon certification of adequate insurance; and
- (7) Permits the fund to increase fees at the pump if it becomes necessary in the event of a judgment.

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. 3596, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3596, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 470-94 Consumer Protection and Commerce on H.B. No. 2660

The purpose of this bill is to establish the office of the insurance consumer advocate as part of the Department of the Attorney General. The intent of this bill is to balance the needs and economic well-being of the insurance industry by creating an advocate for insurance consumers in this State.

Your Committee noted that several bills had been introduced to address this issue of a consumer advocate for insurance. As a result, alternative suggestions were solicited during the hearing on this measure.

The State Attorney General presented testimony that establishing the consumer advocacy function within the Department may place it in a policy-making role which is not the traditional role of an Attorney General. The Department of Commerce and Consumer Affairs in its testimony expressed concern on whether there would be adequate funding and staffing for this type of office in this measure.

Testimony in support of this bill was received from the American Association of Retired Persons, the Hawaii Academy of Plaintiff's Attorneys and numerous other individuals.

Testimony in opposition to this measure was received from State Farm Insurance Companies, Hawaii Independent Insurance Agents Association and the Hawaii State Association of Life Underwriters, although they did recognize the need for such a function to be performed either by the Insurance Commissioner or another office.

Your Committee finds that there is a need for an insurance consumer advocate and to facilitate discussion on this measure has made the following amendments to the bill:

- (1) provision that there is established within the Department of the Lieutenant Governor for administrative purposes only, an independent office of consumer advocate for insurance;
- (2) financing is established through the insurance examiners revolving fund;
- (3) the assessment for each insurer authorized to do business in the State is increased from \$550 to \$3,000 per year to be credited to the examiners revolving fund;
- (4) the assessment is collected on July 1 instead of June 1 of each year;
- (5) rule-making power is provided under Section 431:14-104, Hawaii Revised Statutes, to permit intervention of the consumer advocate;
- (6) the provision for the general fund appropriation is deleted as the insurance industry is to pay for the office; and
- (7) the effective date is delayed until July 1, 1995, provided that the collection of the assessments shall commence on July 1, 1994.

It is noted by your Committee that this amended bill is a compromise of the many alternatives proposed at the hearing, nevertheless, it is the desire of your Committee to continue progress toward a solution to this very important consumer concern.

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. 2660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2660, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 471-94 Consumer Protection and Commerce on H.B. No. 3122

The purpose of this bill is to make a loan, to be repaid with interest within ten years, to the Hawaii State Compensation Mutual Insurance Fund.

Your Committee received testimony in support of this bill from the Hawaii Nurses' Association, the Pro Active Workers' Task Group, and Hawaii State AFL-CIO, ILWU Local 142.

Opposing testimony was received from the Department of Commerce and Consumer Affairs, the Hawaii Insurers Council, the Construction Industry Legislative Organization, Inc., Hawaii Chapter of the National Federation of Independent Business, Hawaii Independent Insurance Agents Association, The Chamber of Commerce of Hawaii, and Hawaii Island Contractors' Association.

It is noted by your Committee that this Fund was established in 1985 by Act 296 and renamed the Hawaii State Compensation Mutual Insurance Fund by Act 277, Session Laws of Hawaii, 1989. No money has ever been appropriated to the Fund.

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. 3122, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Menor, Peters and Takamine.
(Representatives Herkes and Thielen voted no.)

SCRep. 472-92 Consumer Protection and Commerce on H.B. No. 3513

The purpose of this bill, as received, is to streamline the responsibilities of the Auditor regarding the "sunset" evaluation of regulatory programs.

More specifically, this bill:

- (1) Clarifies that during the course of a postaudit required by law, and to the extent practicable and applicable to the scope and objectives of the audit, the Auditor shall review and assess the audited agency's administrative rules;
- (2) Requires each state agency, in lieu of the Auditor, to maintain a file of its administrative rules, including changes to the rules, and make the file available for public inspection and copying;
- (3) Clarifies that at the Director's discretion, the Director of Commerce and Consumer Affairs may set various administrative fees pertaining to regulatory programs, provided that the fees collected and deposited into the Compliance Resolution Special Fund cover reasonable annual operating costs of compliance resolution activities;

- (4) Repeals the current "sunset" evaluation schedule by which professional and occupational regulatory programs are evaluated by the Auditor; provides that any new professional or vocational regulatory program be repealed at the end of the third full calendar year following the program's enactment; and requires the Auditor to conduct a "sunset" evaluation of the regulatory program prior to its repeal;
- (5) Clarifies that no board, commission, or regulatory program be evaluated automatically by the Auditor, except as provided above, provided that this provision is not intended to prevent the Auditor from conducting an evaluation of a board, commission, or regulatory program at the request of the Legislature;
- (6) Repeals a law that provided for the reenactment of regulatory programs repealed in accordance with the "sunset" evaluation process; and
- (7) Provides that the aforementioned provisions take effect on July 1, 1994.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs. Comments by the Auditor were also submitted.

Your Committee finds that this bill would allow the Auditor to reallocate existing resources to better serve the Legislature, state government, and the public.

However, the Auditor testified that the existence of a provision that would remove the ceiling on fees charged by the DCCA for compliance resolution activities, may jeopardize the bill since it appears not to be within the scope of the title of the bill.

Accordingly, your Committee has amended this bill by:

- (1) Conforming language pertaining to fees with existing law; and
- (2) Making technical, nonsubstantive revision for the purposes of clarity, style, and conformity.

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. 3513, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3513, H.D. 2.

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

SCRep. 473-94 Consumer Protection and Commerce on H.B. No. 3609

The purpose of this bill is to enable the Liquor Commissions to establish a reserve fund.

Your Committee received testimony in support of this bill from the City and County of Honolulu, the Liquor Administrators of the County of Honolulu and the Maui, Kauai and Hawaii Departments of Liquor Control, and the Retail Liquor Dealers Association.

Your Committee has amended this bill by decreasing the amount of permissible annual budget reserve for the Commissions from twenty percent to ten percent.

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. 3609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3609, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 474-94 Human Services on H.B. No. 3294

The purpose of this bill is to establish and fund long-term care educational outreach activities.

Testimony in support of the bill was presented by the Executive Office on Aging, the Healthcare Association of Hawaii, the Hawaii State Association of Life Underwriters, The Chamber of Commerce of Hawaii, the National Association of Retired Federal Employees, and a private individual.

Several of those presenting testimony suggested amendments to the bill. Upon a discussion among those presenting oral testimony and Committee members, a consensus was reached on the amendments. Based upon this consensus, your Committee has amended the bill by:

- (1) Adding a findings and purpose section;
- (2) Adding the establishment of a multi-disciplinary group to advise and collaborate with the Executive Office on Aging in the development of an educational outreach presentation;

- (3) Specifying the representation of this group;
- (4) Specifying the contents of the educational outreach presentation; and
- (5) Inserting the figure of \$20,000 as the appropriation amount.

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 H.B. No. 3294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3294, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Duldulao, Peters and Tanimoto.

SCRep. 475-94 Human Services on H.B. No. 3379

The purpose of the bill is to provide a permanent source of revenue to the Hawaii Children's Trust Fund by increasing fees for copies of birth and death certificates, corrections of certificates, searches of records, and marriage licenses. A portion of the increased revenue would be deposited in the trust fund, with the remainder deposited in the general fund.

The Hawaii State Coalition Against Sexual Assault testified in support of the bill. The National Association of Social Workers opposed the bill, expressing a preference to a tax checkoff as a method of funding. While the Department of Health supported the intent of the bill, it preferred the mechanism of legislative appropriations as a source of funding.

On the assumption that the bill would be approved, the Department of Health suggested amending the bill to provide for surcharges rather than fee increases. The Department and the Coalition also suggested designating a portion of the additional moneys for updating and computerizing the vital records program. In addition, through discussions with departmental staff, the Committee learned that the proposed fee increases for searches of records may be overly burdensome to many of those who seek to prove Hawaiian blood quantum.

In consideration of these matters, your Committee has amended the bill as follows:

- (1) Deleted the proposed fee increases for certificates and marriage licenses and instead provided for surcharges;
- (2) Directed half of each surcharge amount to the general fund for five years;
- (3) Directed the other half of each surcharge amount to the Hawaii Children's Trust Fund for five years, after which the entire surcharge amount would be directed there;
- (4) Deleted the proposed fee increases for searches and corrections of records; and
- (5) Changed the proportion of the proposed fee increase for marriage licenses directed to the general fund and Hawaii Children's Trust Fund.

Your Committee would have liked to appropriate in the bill moneys for updating and computerizing the vital records program. However, the narrow title of the bill prohibits this action. As such, your Committee requests the Committee on Finance to appropriate the general fund revenues generated by this bill to the vital records program through a proviso in the executive budget bill.

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 H.B. No. 3379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3379, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Duldulao, Peters and Tanimoto.

SCRep. 476-94 Economic Development and Business Concerns on H.B. No. 3432

The purpose of this bill is to allow the Public Utilities Commission to extend the nine-month period in which to issue its decision on an application, upon a showing of good cause after notice and hearing. The reasons for any extension shall be reported to the Legislature within thirty days after rendering the decision.

Your Committee received testimony in support of this bill from the Consumer Advocate.

The Public Utilities Commission ("PUC") testified that it is not in opposition to this bill.

Testimony in opposition to this bill was received from GTE Hawaii Telephone Incorporated, Hawaiian Electric Company, Inc., and BHP Petroleum Americas (Hawaii) Inc./The Gas Company.

Your Committee finds that there has been a dramatic rise in the number and complexity of case filings at the PUC for capital improvement projects, rate increases, integrated resource planning, other contested matters, and rulemaking proceedings. Further, the first round of integrated resource planning cases to develop long-range and short-term plans to meet energy demands for each island will continue through 1994. Also, The PUC has opened the communications

infrastructure docket to look at competitive telecommunications services and its impact on the public and regulatory process. In short, the workload for the PUC and the Consumer Advocate has greatly increased.

In addition, your Committee finds that when the Hawaii Procurement Code, Chapter 103D, Hawaii Revised Statutes, comes into effect on July 1, 1994, the proposal and bid process for consultants may take up to six months.

Your Committee has amended this bill by nullifying the effect of this Act if the PUC or the Consumer Advocate receives an increase in their personnel. Your Committee believes that either an increase in staff or an increase in the period in which decisions must be issued will address the concerns of the PUC regarding its increased workload.

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 H.B. No. 3432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3432, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Cachola, M. Ige and Morihara.

SCRep. 477-94 Economic Development and Business Concerns on H.B. No. 3256

The purpose of this bill is to make an appropriation for the electric bus project to match federal funds available from the Advanced Research Projects Agency of the United States Department of Defense.

Your Committee has received testimony in support of this bill from the Electric Vehicle Association of Hawaii and private citizens.

The High Technology Development Corporation (HTDC) testified that it supports an appropriation provided that it does not replace current priorities as indicated in the Administration's supplemental budget request for Fiscal Year 1994-95.

Your Committee finds that HTDC manages the Hawaii Electric Vehicle Demonstration Project including Suntera Corporation, which has established a production facility at Honokaa and will provide five electric vehicles to be operated by military and utility company users.

Accordingly, your Committee has amended this bill by removing reference to an appropriation, and instead, authorizing a loan to the electric bus project.

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 H.B. No. 3256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3256, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 478-94 Economic Development and Business Concerns and Intergovernmental Relations and International Affairs H.B. No. 3093

The purpose of this bill is to establish an Export Trading Companies Loan Program.

Your Committees notes that the development of export trading companies in Hawaii would create new business opportunities for the State. Your Committees also note that Hawaii's geographical location is ideal for conducting and facilitating international trade and entering the global market. This bill would support efforts to diversify Hawaii's economic base.

The Department of Business, Economic Development, and Tourism testified in support of the measure.

In its discussion, your Committees had concerns as to whether the trading companies mentioned in the bill would be headquartered in Hawaii and would conduct their primary business in the State.

Accordingly, your Committees have amended the bill by:

- (1) Specifying that the terms "export trading company" and "small business" refer to entities that are headquartered and whose principal place of business are in Hawaii;
- (2) Defining "small business" as an independently owned business with total revenues not exceeding \$5,000,000, during the previous twelve months and having less than fifty employees; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Intergovernmental Relations and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3093, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3093, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Cachola, Hagino, Morihara and Ward.

SCRep. 479-94 Water and Land Use Planning on H.B. No. 2778

The purpose of this bill is to exclude the Fort Armstrong Piers 1 and 2 areas from the redevelopment plans of the Kakaako Community Development District.

Your Committee finds that the issue of safety, navigable approaches to berths, and the relocation of existing facilities at Piers 1 and 2 cannot be adequately addressed by the Honolulu Waterfront Master Plan.

Your Committee received testimony from the Department of Business, Economic Development and Tourism, Hawaii Community Development Authority, and The Chamber of Commerce of Hawaii.

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. 2778 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 480-94 Water and Land Use Planning on H.B. No. 2957

The purpose of this bill is to amend Section 171-17, Hawaii Revised Statutes, by changing the basis of the Department of Land and Natural Resources' appraisals from fair market value to income-generated value.

Your Committee received testimony from the Department of Land and Natural Resources, Department of Transportation, Department of Hawaiian Home Lands, Hawaiian Electric Company, and the Hawaii Farm Bureau.

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. 2957 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 481-94 Water and Land Use Planning on H.B. No. 3176

The purpose of this bill is to authorize the Board of Land and Natural Resources to modify or extend the term of all leases to the extent necessary to qualify the lease for mortgage lending or guaranty purposes.

Under existing subsection (b) of Section 171-36, HRS, the Board of Land and Natural Resources may modify or extend any intensive agricultural, aquaculture, commercial, mariculture, or special livestock lease to qualify the lease for mortgage lending or guaranty purposes. A representative of the Department of Land and Natural Resources testified that the Attorney General had advised that activities under a commercial lease do not include industrial activities. By this bill, the Department sought to cause an inclusion of a lease covering industrial activities among the types of leases which the Board could modify or extend under subsection (b) by deleting references to the types of leases enumerated and by providing application of subsection (b) to any lease. The proposed amendment under this bill, however, has the unintended effect of including other leases such as residential, pasture and water leases not now covered under existing subsection (b). To avoid this inadvertent effect, the Department recommended that subsection (b) be amended by simply adding industrial lease as another type of lease to be covered thereunder.

Your Committee has amended this bill by:

- (1) Restoring intensive agricultural, aquaculture, commercial, mariculture, or special livestock leases and adding industrial lease as types of leases covered under subsection (b) of Section 171-36, HRS; 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 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. 3176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3176, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 482-94 Water and Land Use Planning on H.B. No. 3107

The purpose of this bill is to require that the disposition to governments, governmental agencies, and public utilities by the Board of Land and Natural Resources be subject to prior approval of the Governor and authorization of the Legislature by concurrent resolution approving the disposition. Currently, the Board of Land and Natural Resources is required to submit an annual written report to the Legislature of all dispositions made in the preceding year, including but not limited to, sales, leases, and leases with options to purchase.

Your Committee received testimony from the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, and the State Council of Hawaiian Homestead Associations.

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. 3107, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 483-94 Water and Land Use Planning on H.B. No. 2680

The purpose of this bill is to ensure the long-term viability of agriculture in Hawaii by preserving prime agricultural land while, at the same time, satisfying the housing demand by providing lands that are suitable for development.

Specifically, this bill proposes to expedite a land exchange involving private lands north of Wahiawa, Oahu, owned by the George Galbraith Estate, and public lands in Kapolei, Oahu, by exempting the exchange from the provisions of Section 171-50(c), Hawaii Revised Statutes (HRS), which requires the Department of Land and Natural Resources (DLNR) to submit for introduction to the Legislature twenty days prior to the convening of any Regular or Special Session, a resolution for review of action on any exchange of public land for private land.

Pineapple production has great economic value to the State. The value of the crop to Hawaii in terms of revenue, jobs, and visitor recognition is invaluable. Presently, Del Monte-Hawaii leases approximately 2,200 acres of land from the Galbraith Estate for the cultivation of pineapple. Because these lands are considered to be some of the best suited land for pineapple production in the world, it is in the best interest of the State to keep these lands for the production of pineapple.

On the other hand, the responsibility of the Hawaiian Trust Company, Trustee for the George Galbraith Trust, is to act in the best interest of their beneficiaries, taking into consideration preservation of the trust corpus and at the same time generating income, as this proposed development would. If enacted, this bill would allow the Galbraith Estate to develop housing in Kapolei, an area already under development.

This land exchange seems to be a perfect solution for all parties. It will allow continued, uninterrupted pineapple production in an area suited and zoned for this purpose, and ensure that valuable vistas be preserved, while, at the same time, ensuring that the proposed development, which is needed to satisfy housing demands, is placed in an appropriate location.

Testimony in support of the intent of this measure was submitted by: the ILWU, Local 142; DLNR; the Office of State Planning; the Hawaiian Trust Company; Del Monte Fresh Produce (Hawaii); the Wahiawa Community and Business Association; the Wahiawa Neighborhood Board; the Wahiawa Master Plan Task Force; members of the Preserve Wahiawa Committee; the Hawaiian Civic Club of Wahiawa; Friends of Kukaniloko; and private citizens.

After free and open discussion, your Committee has amended this bill by clarifying that the Legislature approves the land exchange, provided that:

- (1) The public lands be of substantially equal "fair market" value to that of the private land;
- (2) The "fair market" value of the private and public lands be separately determined by a disinterested appraiser;
- (3) In determining the "fair market" value, the state land be appraised as urban, and the private land be appraised as agricultural; and
- (4) The exchange deed contains:
 - (a) The location and area of the lands;
 - (b) The value of the lands;
 - (c) The name of the appraiser; and
 - (d) The date of the appraisal be not more than six months prior to the date of final approval of the exchange by the Board of Land and Natural Resources.

Finally, your Committee urges all parties, to the extent possible, to include a 43-acre parcel of Galbraith Estate land known as Poamoho as a part of this land exchange. Because sixty-two homes, which are all owned by Del Monte Company, and a small park are situated in Poamoho, it is important to prevent the families that reside in these employee housing from joining the ranks of the homeless.

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. 2680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2680, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 484-94 Water and Land Use Planning on H.B. No. 3146

The purpose of this bill is to provide the State Land Use Commission (LUC) with more time to deliberate on petitions for boundary changes relating to housing projects submitted by the Housing Finance and Development Corporation (HFDC).

Currently, Section 205-4, Hawaii Revised Statutes (HRS), requires the LUC to publish hearing notices at least thirty days prior to all hearings. Because Section 201E-210, HRS, requires the LUC to approve or disapprove HFDC's boundary change petitions within 45 days after receipt of the petitions, the current law prevents the LUC from devoting more of the 45-day period to the public hearing and decision-making process.

This bill proposes to require that notice of hearing on boundary amendment proceedings relating to housing developments shall be published:

- (1) At least once in the locality in which the land is situated; or if there is no local newspaper, then in a newspaper in the county in which the land sought to be redistricted is situated; and
- (2) Once in a newspaper of general circulation in the State;

at least fifteen days in advance of the hearing.

This bill also proposes that landowners contiguous to the proposed boundary amendment lands be notified by certified mail.

The LUC and HFDC testified in support of this bill. The LUC recommended new language to clarify the proposed amendment in paragraph 4.

Upon further consideration, your Committee has amended this bill by incorporating the language proposed by the LUC.

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. 3146, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3146, H.D. 2.

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

SCRep. 485-94 Water and Land Use Planning on H.B. No. 425

The purpose of this bill is to direct the Department of Agriculture and the Office of State Planning to designate prime agricultural lands throughout the State that are classified as overall (master) productivity rating class A and B, in order to ensure their preservation and protection as required under the Constitution of the State of Hawaii.

Your Committee finds that Section 3 of Article XI of the Constitution of the State of Hawaii directs the State to conserve and protect agricultural lands and assure the availability of agriculturally suitable lands. Therefore, it is imperative that all lands of agricultural value be so designated and be put to productive agricultural uses.

Your Committee received testimony from the Office of State Planning, the Department of Agriculture, Sierra Club, Hawaii Chapter, the Land Use Research Foundation of Hawaii, and the Hawaiian Sugar Planters' Association.

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. 425, H.D. 2, and recommends that it be referred to the Committee on Finance.

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

SCRep. 486-94 Water and Land Use Planning on H.B. No. 3629

The purpose of this bill is to preserve the Public Land Trust from further diminution. This bill establishes a ten-year moratorium (until the year 2004) on the further sale or exchange of ceded lands by all State and county departments and agencies. The bill provides for certain exceptions, however, including:

- (1) Leasing lands to third parties or State agencies;
- (2) Transferring lands to the Office of Hawaiian Affairs, provided that the combined land holdings of the Public Land Trust and the Hawaiian Home Lands Trust are not reduced; and
- (3) Exchanging land with private landowners for historic preservation purposes, provided that the combined land holdings of the Public Land Trust are not reduced, and the exchange is commensurate with the fair market value of the lands.

In addition, the bill provides that:

- (1) The Department of Hawaiian Home Lands is exempt from the provisions of the bill placing a moratorium on exchange of lands;

- (2) Any agreement or instruments of conveyance covering the sale of lands effected prior to the enactment of this bill shall not be affected; and
- (3) Any agreement or instruments of transfer covering the exchange of land effected prior to the enactment of this bill shall not be affected.

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs. The Governor's Office of State Planning, the Hawaiian Sovereignty Advisory Commission, Hui Na'auao, and Ka Lahui Hawaii Political Action Committee supported the intent of the bill but had some concerns about specific provisions.

The Department of Land and Natural Resources submitted testimony in opposition to the bill.

After reviewing the testimony submitted, your Committee amended the bill by:

- (1) Adopting the recommendation of the Office of State Planning to permit land exchanges with private landowners for public purposes in addition to historic preservation, as identified in Section 171-50, Hawaii Revised Statutes. These purposes include but are not limited to:
 - (a) Consolidation of holdings of public lands;
 - (b) Straightening of boundaries of public lands;
 - (c) Acquisition of adequate access for landlocked public lands which have development potential; or
 - (d) Acquisition of lands suitable for residential use;

and

- (2) Inserting language into the findings section of the bill recognizing that the State of Hawaii has acknowledged the illegality of the 1893 overthrow, as expressed in Act 359, Session Laws of Hawaii 1993.

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. 3629, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3629, H.D. 2.

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

SCRep. 487-94 Water and Land Use Planning on H.B. No. 3106

The purpose of this bill as received by your Committee is to effectuate the intent of Act 348, Session Laws of Hawaii 1993, through the exchange of public lands at Kapalama, Oahu, tax map key 1-5-20:6, and authorize the acquisition of additional lands identified as significant to the preservation of Mount Olomana as a historical site.

By Act 348, Session Laws of Hawaii 1993, the Legislature established the Mount Olomana State Monument as a historic landmark, administered by the Department of Land and Natural Resources. Act 348 also authorized the Department of Land and Natural Resources to acquire all or portions of the approximately 368.78 acres of land identified by tax map key number (I) 4-2-05:01, through purchase, land exchange, or both, for the preservation of Mount Olomana as a historic landmark.

Your Committee finds that because appropriated funds for acquisition of tax map key area 4-2-05:01 are insufficient, the Department of Land and Natural Resources is exploring a land exchange which will be feasible and meet the purpose and intent of Act 348.

Your Committee heard testimony in support of HB 3106, H.D. 1, from the Department of Land and Natural Resources, the Office of State Planning, and the Save Mount Olomana Association.

The Department of Land and Natural Resources suggested that additional acquisition of lands designated in section 3 of the bill be deferred until the boundaries of the Mount Olomana historical site have been properly defined, and affected landowners of the areas be given proper notice.

Your Committee also finds that continued discussions shall be encouraged between the State and private landowners to pursue all alternatives necessary to preserve and protect Mount Olomana as a historical landmark.

Your Committee amended the bill as follows:

- (1) Removing section 3 of the bill regarding additional acquisition of lands, and part of the purpose paragraph in section 1, lines 13-15, which corresponds to section 3;
- (2) Amending the language in section 2, lines 6-7, which refers to the ceded lands trust, by clarifying that the land exchange is being done for historic preservation purposes, and that the exchange will not reduce the combined land holdings of the ceded land trust.
- (3) Making technical and nonsubstantive changes to the bill.

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. 3106, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3106, H.D. 2, and be referred to the Committee on Finance.

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

SCRep. 488-94 Water and Land Use Planning on H.B. No. 3247

The purpose of this bill is to:

- (1) Establish a development zone to be known as the special University of Hawaii Kapolei development zone;
- (2) Allow the State to continue to work cooperatively with the landowner in Kapolei to develop the best possible land plan for the campus site; and
- (3) Give the Board of Regents of the University of Hawaii the exclusive authority and responsibility to develop, construct, operate, and maintain a higher educational facility;
- (4) Provide tax relief incentives to facilitate the development of housing for students and faculty.

Your Committee received testimony from the University of Hawaii, the Department of Taxation, Estate of James Campbell, Tax Foundation of Hawaii, Association of Hawaiian Civic Clubs, Oahu Council, Ahahui Siwila Hawaii O Kapolei, Puuloa Hawaiian Civic Club, Nanaukapono Hawaiian Civic Club, Honokai Hale/Nanakai Gardens, and from several concerned citizens.

Your Committee has amended this bill by:

- (1) Deleting lines 3-5 of Section 1, which states the purpose of exempting the University from state requirements relating to land use for development;
- (2) Deleting Section 5, which exempts the special University of Hawaii Kapolei development zone from all state land use laws;
- (3) Deleting Section 6, exempting the special University of Hawaii Kapolei from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivision, and development and improvement of land; and
- (4) Making technical, nonsubstantive amendments for purpose of style and clarity.

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. 3247, H.D. 1, as amended herein, and recommends it be referred to the Committee on Finance, in the form attached hereto as H.B. 3247, H.D. 2.

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

SCRep. 489-94 Water and Land Use Planning on H.B. No. 2921

The purpose of this bill is to limit civil liability of persons sponsoring equine activities by defining the conditions under which such persons may be held liable for any injury or death to a participant.

Your Committee is concerned about granting any person or activity absolute immunity for negligent conduct that causes injury or death. This Committee believes it is more reasonable to provide the equine activity sponsor or equine professional with rebuttable presumption of no negligence in situations in which the injury, damage or death is caused solely by the inherent risk of unpredictable nature of the equine. This will protect the equine activity sponsor or equine professional against groundless claims, while at the same time making them responsible for wrongful conduct which causes injury or death to a participant.

Your Committee has amended the bill by:

- (1) Deleting lines 9-20 of page 4, and inserting a new subsection (a);
- (2) Deleting line 1 of page 5, and replacing it with "their employee or agent";
- (3) Deleting lines 5-6 of page 5, and replacing it with "a proximate cause";
- (4) Deleting "and" on lines 9 and 11 on page 5, and replacing it with "or";
- (5) Adding additional language to subsection 2, page 5.
- (6) Inserting "or reasonably should have been known" to line 18 on page 5;
- (7) Deleting "and" on line 20 page 5, and replacing it with "or";

- (8) Inserting "reasonable" to line 20 page 5;
- (9) Inserting "gross negligence or" to line 22 page 5;
- (10) Deleting Section -3, page 6-7.

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. 2921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2921, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 490-94 Water and Land Use Planning on H.B. No. 3010

The purposes of this bill are to exempt Hawaiian fishponds from all laws, ordinances, and regulatory requirements of the State and the counties, and to establish a Hawaiian fishpond permitting and extension service program within the Department of Land and Natural Resources.

Your Committee received testimony from the Department of Land and Natural Resources, Oceanic Institute, Hui O Loko I'a, Environmental Center, Association of Hawaiian Civic Clubs, and five concerned citizens. Your Committee expressed the desire to move this measure forward and expressed the importance of allowing for a loko i'a exemption from State and county regulatory requirements only after proper safeguarding procedures have been taken.

Your Committee has amended this bill by:

- (1) Amending the title of the chapter from "HAWAIIAN FISHPONDS" to "HAWAIIAN FISHPOND SYSTEMS";
- (2) Except for within the definitional section, replacing the word "fishpond" with the word "loko i'a";
- (3) Amending §2 to clarify the application of the loko i'a exemption; and
- (4) Deleting §5 entirely.

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. 3010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3010, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 491-94 Water and Land Use Planning on H.B. No. 3445

The purpose of this bill is to establish a new chapter in order to clarify the department's jurisdictional and management responsibilities within the State conservation district.

Your Committee received testimony from the Office of State Planning, the Department of Land and Natural Resources, the Board of Water Supply, the Land Use Research Foundation of Hawaii, the Hawaii Audubon Society, the Sierra Club (Hawaii Chapter), and a concerned citizen.

Your Committee adopted the recommendations of the Sierra Club (Hawaii Chapter), and has amended this bill by:

- (1) Amending §7(a) to also provide that at the suit of any citizen, the zoning rules may be enforced;
- (2) Amending §1 to clarify that lands within the State land use conservation district also contain cultural resources essential to perpetuating the State's cultural heritage;
- (3) Adding to §2, to the definition of "land use", any action which may negatively impact natural or cultural resources;
- (4) Amending §3(4) to additionally make the enforcement of this chapter a reason for the board and the department to set, charge, and collect reasonable fees;
- (5) Amending §4(b) to add another qualification which the department's rules must be consistent with, namely, the perpetuation of the State's cultural heritage;
- (6) Deleting the existing §4(c);
- (7) Adding a new §4(c);
- (8) Amending §4(d) to effectuate the prohibition in conservation districts of golf courses and resort development;
- (9) Amending §6(b) to require, if applicable, the department's completion of the requirements of chapters 343 and 205A before rendering a decision on a completed application; and

- (10) Amending §6(b) to require that the owner first comply with departmental rules and standard permit conditions before putting his or her land to the use or uses requested in his or her application.

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. 3445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3445, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 492-94 Judiciary on H.B. No. 3110

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii to authorize the State to issue special purpose revenue bonds to finance early childhood education and care facilities provided to the general public by not-for-profit corporations.

Testimony in support of the bill was received from the Governor's Office of Children and Youth, which noted that more facilities are needed if Hawaii is to meet the future demand for child care services. Your Committee agrees with the Office of Children and Youth that providing for the needs of Hawaii's families now and in the future is of vital importance.

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. 3110, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Chun, Hirono, Oshiro, Takamine and White.

SCRep. 493-94 Judiciary on H.B. No. 3506

The purpose of this bill is to appropriate funds for:

- (1) A grant-in-aid to the Honolulu Police Department to support their portion of the "No Hope in Dope" program, specifically for:
 - (a) School/community projects;
 - (b) A van; and
 - (c) Travel expenses;

and

- (2) The Department of Public Safety's portion of the "No Hope in Dope" program, specifically for:
 - (a) Adult corrections officers positions;
 - (b) A van; and
 - (c) Equipment, supplies, and travel expenses.

Your Committee received testimony in support of the bill from the Department of Public Safety, the City and County of Honolulu Police Department, the United States Department of Justice's Federal Bureau of Investigation, the United States Department of Justice's Drug Enforcement Administration, a District Court Judge in the First Circuit Family Court, the Drug Awareness Educational Assistant at King Intermediate School, the Principal and Vice-Principal of King Intermediate School, a number of counselors and a teacher at King Intermediate School, and the Principal of Waimanalo Elementary & Intermediate School.

After reviewing the testimony received, your Committee finds that Hawaii's "No Hope in Dope" program has been uniquely effective in showing young people the consequences of drug use, and alternatives to drug use. The Committee believes this program should continue to be funded.

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. 3506, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Chun, Hirono, Oshiro, Takamine and White.

SCRep. 494-94 Judiciary on H.B. No. 2708

The purpose of this bill is to propose amendments to the Constitution of the State of Hawaii that will:

- (1) Delete from the Constitution the composition of the districts from which members of the Board of Education (BOE) are elected, and provide instead for school board districts to be provided by law.
- (2) Restrict the powers of the BOE to policymaking only.
- (3) Allow the BOE to appoint the Superintendent of Education.

Your Committee received testimony in favor of the bill from the Hawaii Business Roundtable. The Business Roundtable noted that removing the BOE from the day-to-day management of the schools would be more in keeping with the current focus on school/community-based management.

The BOE submitted testimony in opposition to the bill, contending that it would further blur the lines of accountability in the school system. In addition, the BOE believes that the current method of electing Board members from two, at-large districts helps the Board maintain a broader perspective on state educational issues.

Your Committee finds that the present system of education in Hawaii is not working, and must be changed to reflect the new orientation toward school- and community-level decision-making. Making the BOE a policy-setting entity instead of a management entity will help foster local control and decision-making.

Your Committee believes that the electorate should have the opportunity to voice their opinion on this matter by having the proposed constitutional amendments presented to them for approval or rejection on the ballot at the next general election.

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. 2708, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Chun, Hirono, Oshiro, Takamine and White.
(Representatives Amaral and Thielen voted no.)

SCRep. 495-94

Education on H.B. No. 3401

The purpose of this bill is to require any persons desiring to establish a private school within the State to make an application in writing to a Board of Independent Schools, rather than the Department of Education ("DOE") and to stipulate that every private school shall be supervised by a Board of Independent Schools ("Board"), rather than the DOE.

Your Committee notes that the proposed transfer of supervision from the DOE to a Board by no means reflects the quality of the DOE's relationship with the private schools statewide which has been and continues to be a very supportive and cooperative relationship. This bill has been proposed primarily for the following reasons:

- (1) To provide significant relief with respect to the DOE's time and resources that otherwise can be devoted to the State's public school system which will continue to be the DOE's principal concern; and
- (2) To implement more effective regulation and supervision of kindergarten, elementary, and secondary private schools by a body which is in a better position to understand, and focus on, the distinct qualities of private schools for which typical state regulatory policies and practices are largely irrelevant.

Testimony in support of this bill was submitted by the Hawaii Association of Independent Schools.

Testimony in agreement with the intent of this bill was also submitted by the DOE which proposed that amendments which were made to Senate Bill No. 2175 also be made to this bill. Testimony was also submitted by the Department of Commerce and Consumer Affairs ("DCCA") which neither opposed nor supported this bill, but requested that reference to the DCCA in this bill be deleted.

In amending this bill to allow for the transfer of supervision to the Board, it was necessary for your Committee to amend several sections of the Hawaii Revised Statutes ("HRS"), pertaining to education in order to conform to the establishment of a Board to supervise private schools.

Your Committee has amended this bill as follows:

- (1) Amending Section 1 to include a legislative purpose for establishing a Board of Association of Independent Schools;
- (2) Amending Section 2 to create a new chapter in the Hawaii Revised Statutes titled, "Private Schools", and creating the following sections under the new chapter:
 - (a) Section 1 of this chapter defining terminology pertaining to private schools;
 - (b) Section 2 addressing the establishment of private schools;
 - (c) Section 3 addressing the supervision of private schools; and

- (d) Section 4 addressing private school teachers qualifications and certification;
- (3) Amending Section 3 to insert the definition of "school" and to amend the definition of "teacher" in Section 296-1, HRS;
- (4) Amending Section 4 to amend the title of Section 297, HRS, from "Personnel of Public and Private Schools" to "Personnel of Schools";
- (5) Adding Section 5 to amend the definition of "school as defined in Section 297-1, HRS";
- (6) Adding Section 6 to amend the definition of "public schools" and "private schools" in Section 298-1, HRS.
- (7) Adding Section 7 to delete applicability of Section 298-19, HRS, to private schools governed by the new chapter;
- (8) Adding Section 8 to delete applicability of Section 298-20, HRS, to private schools governed by the new chapter;
- (9) Adding Section 9 to repeal Section 298-6, HRS, pertaining to the establishment of private schools;
- (10) Adding Section 10 to repeal Section 298-7, HRS, pertaining to the supervision of private schools;
- (11) Adding Section 11 to include the establishment and appointment of a temporary transition committee;
- (12) Adding Sections 15 and 16 to include language regarding the implementation of the new chapter;
- (13) Amending the effective date of this Act in Section 17 from "upon its approval" to "July 1, 1994"; provided that a one-year transition period shall be established and full implementation of this Act shall occur no later than July 1, 1996; and
- (14) Removing any reference to the "Department of Commerce and Consumer Affairs".

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 H.B. No. 3401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3401, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki, Duldulao, Hagino, Taniguchi, Yonamine and Tanimoto.

SCRep. 496-94 Education on H.B. No. 3657

The purpose of this bill is to restructure the public school system to:

- (1) Ensure that the students' education is synchronous with society's transition from the industrial age to the information age;
- (2) Implement systemic reforms which make the students the focus of the school; and the community, school staff, and government agencies the supporting framework;
- (3) Provide for school-level initiative based upon first-hand knowledge of the student's needs, and decision-making in the best interests of the students; and
- (4) Empower the schools by increasing their autonomy and accountability to achieve the ultimate goal of creating excellence in our schools.

The Hawaii State Teachers Association submitted testimony in support of the intent of this measure, but is still in the process of studying this measure, thus, is unable to take an official position. The Hawaii Business Roundtable submitted testimony in general agreement with the basic thrust of this measure; however, due to its complexity, it is not prepared to take a specific position. The Office of the Lieutenant Governor submitted lengthy testimony stating that the approach taken in the bill is innovative; however, such an approach would not bring about true accountability for public education. The Office of the Lieutenant Governor further stated that either the Governor should be made directly responsible for public education, or the Board of Education should be granted fiscal powers to raise its own revenues. The Office of Children and Youth submitted testimony deferring to the Board of Education and the Department of Education in responding to the viability of the overall framework and specific public school management features proposed by this measure, and focused on issues related to early childhood education and care. The Hawaii Government Employees Association submitted testimony in opposition to the provisions of this measure.

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

- (1) Clarifying that the Board of Education shall have power in accordance with law to formulate policy and to appoint an executive officer, the Superintendent of Education, who shall exercise control over the public school system;

- (2) Stating that the Board of Education may adopt policies or action plans that expand the role of parents and guardians as partners in the daily activities of the school; provided that the policies or action plans do not impede any school-level programs which have been adopted pursuant to school/community-based management and school choice initiatives;
- (3) Adding for flexibility that the Board of Education shall have the general power to exercise control over its personnel within the civil service system;
- (4) Adding that the Board of Education may employ and retain independent legal counsel;
- (5) Creating school management districts for better control and management of public schools;
- (6) Adding that the authorities, duties, and responsibilities of a principal shall be in accordance with Board of Education policy and as defined by the Superintendent of Education;
- (7) Expanding the definition of school choice to mean the implementation of alternative programs and administration with regard to curriculum, facilities, instructional approach, length of the school day, week, or year, and personnel management;
- (8) Inserting a section pertaining to schools in distress where the proportion of successful students declines by five percent or more as declared by the Office of Education;
- (9) Clarifying that the principal has the authority to appoint and remove teachers and classified personnel at the school level; and that the Superintendent of Education has the authority to appoint assistants, educational officers (schools, district and state), and classified personnel at the state and district levels;
- (10) Stating that if a student becomes a detriment to the morals or disciplines of any school, the principal shall have the authority to suspend the student pursuant to a decision by the Superintendent of Education;
- (11) Stating that the each individual school administration shall identify and prioritize their repair and maintenance needs, develop a plan of implementation, and coordinate with the Office of Education Facilities Program Office and the Department of Accounting and General Services on implementation of the plan;
- (12) Deleting the mandate that appropriates thirty-three percent of the State general fund revenues to the Office of Education;
- (13) Stating that the Board of Education may negotiate school bus contracts as it deems appropriate and in accordance with applicable laws;
- (14) Inserting language that the Office of Education and the University of Hawaii shall develop a comprehensive program for community education, including an integrated long-range plan for facilities;
- (15) Repealing Chapter 317, Hawaii Revised Statutes, for consistency;
- (16) Inserting language that no regular civil service employees shall lose their status or have their statutory rights and benefits reduced; and
- (17) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3657, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Beirne, Hagino, M. Ige, Lee, Taniguchi and Tanimoto.

SCRep. 497-94 Labor and Public Employment on H.B. No. 3301

The purpose of this bill is to allow the State Attorney General, the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs, and the Office of Consumer Protection to hire attorneys on a contract basis to be compensated at:

- (1) A fixed price basis;
- (2) An hourly rate basis, with or without a fixed cap; or
- (3) Through a contingent fee arrangement specified in the contract.

Testimony in support of this bill was presented by the State Attorney General and the Department of Commerce and Consumer Affairs.

The Attorney General testified that a contingent fee arrangement, where the State would only be responsible for costs and would share in the recovery, should not only save money in attorneys' fee, but would also enable the Department of the Attorney General to pursue matters for which it presently does not have sufficient in-house resources, and increase recoveries for the State.

The Department of Commerce and Consumer Affairs testified that in cases pursued by the Office of Consumer Protection (Office) and the Business Registration Division (Division), the State is empowered to seek among other things, recovery of civil penalties. Since there is always a greater number of cases than can be handled by the legal staff of the Office and Division, the Office and Division must determine which cases will be pursued and which will not. However, because this bill would allow funds recovered from these cases to be used to pay attorneys' fees, these cases would become more attractive to private attorneys. This would, in effect, expand the legal staffs of the Office and Division without the expenditure of public funds.

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 H.B. No. 3301 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon, Taniguchi and Ward.

SCRep. 498-94 Labor and Public Employment on H.B. No. 3327

The purpose of this bill is to reorganize the Division of Community Hospitals into the Agency for Community Hospitals (Agency), within the Department of Health. The bill also requires a task force to develop a method for reorganizing the community hospitals as the Agency, and a management team to develop a specific transitional plan.

Testimony in support of this bill was received from the Department of Health, the Statewide Public Health Facilities Management Advisory Committee, and the Healthcare Association of Hawaii.

Your Committee finds that the current organization of the community hospitals as a division is not designed for rapid change. Reorganizations and introduction of new medical services must be approved through several agencies of government, and must typically be planned years in advance. Further, in the increasingly competitive health care delivery environment, these procedures originally designed to safeguard taxpayer's funds, place the community hospitals at a serious disadvantage compared to private hospitals.

Your Committee has amended this bill to include representatives of the Hawaii Government Employees Association and the United Public Workers on the task force. Also, technical, non-substantive amendments have been made for the purpose of style and clarity.

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 H.B. No. 3327, H.D. 1, as amended herein, and recommends that it be referred, in the form attached hereto as H.B. No. 3327, H.D. 2, to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 499-94 Consumer Protection and Commerce on H.B. No. 3165

The purpose of this bill is to extend the sunset date of Act 202, Session Laws of Hawaii 1988, from 1994 to 1998. The bill also permits inpatient hospital services to be exchanged for outpatient services when appropriate.

Your Committee received testimony in support of this bill from the Department of Health, Hawaii Psychological Association, Healthcare Association of Hawaii, and Kaiser Permanente-Hawaii Region.

Your Committee notes that the availability of flexibility in the provision of mandated mental health care benefits, as provided through this bill, reflects the goals of managed health care by promoting quality mental health treatment in a cost-efficient manner.

Your Committee has amended this bill to correct the present inconsistency between the Committee on Health's Standing Committee Report which states that the amendment of the definition of certified substance abuse staff has been deleted and the actual bill, which fails to delete this amendment. Your Committee has also made technical, nonsubstantive amendments 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 H.B. No. 3165, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3165, H.D. 2.

Signed by all members of the Committee except Representatives Amaral, Hiraki, Menor, Oshiro and Peters.

SCRep. 500-94 Judiciary on H.B. No. 3433

The purpose of this bill is to approve the first two advisory opinions issued by the Hawaiian Home Lands Trust Individual Claims Review Panel on claims of individual beneficiaries for breaches of the Hawaiian Home Lands Trust resulting from acts or omissions of state employees in the management and disposition of trust resources and to provide compensation for actual damages to certain claimants.

Testimony in support of the bill was received by your Committee from the Hawaiian Home Lands Trust Individual Claims Review Panel and a claimant under the bill.

Your Committee understands that the Panel has not yet determined actual damages for the claimants.

Your Committee has made a technical, nonsubstantive amendment to this bill.

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. 3433, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 3433, H.D. 1.

Signed by all members of the Committee except Representatives Bunda, Chun, Hirono, Oshiro, Takamine and White.

SCRep. 501-94 Hawaiian Affairs and Economic Development and Business Concerns on H.B. No. 3494

The purpose of this bill is to allow all Hawaiian home lands to be eligible for designation as enterprise zones under Chapter 209E, Hawaii Revised Statutes, upon direct application by the Department of Hawaiian Home Lands (DHHL).

Testimony in support of this bill was presented by DHHL and Waimana Enterprises, Inc. The Department of Business, Economic Development, and Tourism (DBEDT) also supported the intent of this measure, provided certain amendments were made. Opposing testimony was presented by the Department of Taxation and Ka Lahui Hawaii Political Action Committee. The Tax Foundation of Hawaii also submitted comments on this measure.

Discussion centered around concern that the provisions of this bill would circumvent the authority of the counties in applying to DBEDT to have an area declared an enterprise zone.

Upon further consideration, your Committees have amended this bill by deleting the phrase "upon direct application by the Department of Hawaiian Home Lands" on page three, line 2 of the amended bill. This amendment would preserve the authority of the counties while enabling all Hawaiian home lands to be eligible for designation as an enterprise zone.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3494, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3494, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Ihara, Lee, Morihara and Tanimoto.

SCRep. 502-94 Judiciary on H.B. No. 2275

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii to require that a Commission on Government Organization and Efficiency convene in 2004, and every tenth year thereafter. The Commission shall:

- (1) Conduct a comprehensive review of state government operations; and
- (2) Make recommendations on administrative and legislative actions that will improve the efficiency and cost-effectiveness of government operations.

Your Committee received testimony in favor of the bill from the Administrative Director, Office of the Governor. Your Committee agrees with the testimony received that this bill could provide a mechanism for continuous improvement of government operations.

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. 2275 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Chun, Hirono, Oshiro, Takamine and White.
(Representative Amaral voted no.)

SCRep. 503-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3455

The purpose of this bill is to ensure that Hawaii's citizens are given access to a spectrum of care, ranging from preventive interventions through long-term care. This measure will establish a mechanism for financing long-term care to provide for the future security of our citizens as well as accommodate federal health care reforms which may impact this fund.

Your Committees recognizes the desire of families to have a choice in the selection of their care providers and believes this bill will support that desire.

Testimony was received in strong support of this measure from the Hawaii Executive Office on Aging, the Hawaii State Department of Health, the National Association of Retired Federal Employees, Policy Advisory Board for Elder Affairs,

Retirees Unit of the Hawaii Government Employees Association, Local 152 AFL/CIO, the Healthcare Association of Hawaii, Family Hope Coalition as well numerous individuals.

Testimony was received from the Tax Foundation of Hawaii against this measure on the basis that it does not address the problems and barriers which stand in the way of expanding the supply and improving the quality of long-term care in Hawaii.

Your Committees finds that this is an important issues which should continue to be dealt with by this body and has therefore made the following amendments:

- (1) deleted lines 4 through 16 on page 6 of the bill to eliminate superfluous references on the effective date of sections of this Act;
- (2) addition of language to provide for public hearings to be conducted by the interim board of trustees; and
- (3) other nonsubstantive, technical revisions for the purposes of clarity, style and conformity.

It should be noted that your Committees desire that strengthened fiduciary and other financial protection provisions for this measure be considered with amendments to existing sections to which are drawn from the "long version trust fund bill" which was submitted by the Executive Office on Aging in response to a request by these Committees. However, there being insufficient time to fully deliberate such important fiduciary and protective provisions and because the Committees wish to keep this measure alive and moving forward, your Committees have passed this amended measure with the intent that the Committee on Finance consider strengthening the fiduciary and other protective provisions of this amended bill.

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. 3455, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3585, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 504-94 Hawaiian Affairs on H.B. No. 3153

The purpose of this bill is to establish a Homestead General Leasing program.

Testimony was submitted by the Office of Hawaiian Affairs (OHA), the Department of Hawaiian Home Lands (DHHL), and concerned citizens.

The OHA representative raised concerns that this bill would enable non-Hawaiians to qualify for units that were initially intended to be occupied by Hawaiians.

Your Committee has amended this bill as follows:

- (1) Specified that the if lots or units are available after all interested and qualified native Hawaiians have been awarded lots or units at up to 35 percent below fair market rental, DHHL may temporarily dispose of the remaining lots or units at fair market rental to the general public, with preference to Hawaiians;
- (2) Stipulated that DHHL may develop rental units on the remaining lots and rent them at fair market rental to the general public only after preference is given to native Hawaiians at up to 35 percent below fair market rental; and
- (3) Made technical, nonsubstantive revisions for the purposes of clarity, style, and conformity.

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 H.B. No. 3153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3153, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ihara, Lee and Tanimoto.

SCRep. 505-94 Consumer Protection and Commerce on H.B. No. 3304

The purpose of this bill is to clarify the statutory authority of the Department of Commerce and Consumer Affairs (DCCA) to administer the Travel Agency Education Fund (Education Fund).

More specifically, this bill would:

- (1) Authorize DCCA to use Education Fund moneys in the event that the Travel Agency Recovery Fund (Recovery Fund) becomes exhausted to pay for claims and expenses incurred by persons aggrieved by an act committed by a registered travel agency or registered sales representative in violation of Chapter 468K, Hawaii Revised Statutes (HRS), or which constitutes an unfair or deceptive act or practice in violation of Section 480-2, HRS; and

- (2) Clarify that Education Fund moneys remaining after the payment of educational expenses and Recovery Fund claims be deposited into the Compliance Resolution Fund established pursuant to Section 26-9, HRS, for use in travel agency-related cases.

Supportive testimony was submitted by the Professional and Vocational Licensing Division of DCCA. The Hawaii Business League also submitted comments.

According to the DCCA representative, the Education Fund currently has a sufficient balance to supplement the payment of recovery fund claims. However, the specificity of the use of the Education Fund precludes such application.

Your Committee believes that this bill will provide DCCA the flexibility to satisfy recovery fund claims with existing 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. 3304 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 506-94 Consumer Protection and Commerce on H.B. No. 3166

The purpose of this bill is to repeal the sunset provision of the Hawaii Prepaid Health Care Act upon the enactment of a national prepaid health care plan. Your Committee believes that this bill will preserve Hawaii's health care law while allowing our State to conform to any new Federal requirements. Your Committee further believes that Hawaii's Prepaid Health Care Act is a model for the rest of the nation which should be preserved, notwithstanding developments in federal health care reform.

Your Committee received strong support from the State of Hawaii Department of Labor and Industrial Relations, the Hawaii Medical Association, the Healthcare Association of Hawaii and the Hawaii State Department of Health.

Testimony in opposition was received from an individual.

Your Committee has decided to pass this bill unamended to facilitate continued discussion, but notes that there was a question raised about the effective date of this Act.

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. 3166 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Amaral, Hiraki, Menor, Oshiro and Peters.

SCRep. 507-94 Water and Land Use Planning on H.B. No. 3012

The purpose of this bill is to require Hawaiian Home Lands lessees and applicants on the waiting list to be consulted on current and future water reserves and development.

Testimony in support of the bill was submitted by the Ka Lahui Hawaii Political Action Committee, the Office of Hawaiian Affairs, and the Native Hawaiian Advisory Council.

While recommending a deferral of decision-making on the bill, the Department of Land and Natural Resources raised the concern that the Department of Hawaiian Home Lands rather than the Department of Land and Natural Resources is responsible for taking the government actions required by the bill.

Your Committee has amended the bill by transferring the substantive portions of the bill from the State Water Code to the Hawaiian Homes Commission Act.

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. 3012, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.B. No. 3012, H.D. 2.

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

SCRep. 508-94 Judiciary on H.B. No. 3483

The purpose of this bill is to propose constitutional and statutory changes to provide for an appointed Board of Education and Superintendent of Education. The bill also establishes an advisory commission to facilitate the implementation and transition in governance of the educational system.

Testimony in support of this bill was received by your Committee from the Department of Budget and Finance, the United Public Workers AFSCME, Local 646, AFL-CIO, and a concerned citizen.

Your Committee believes that clear lines of authority, reduction of bureaucracy, and greater accountability are needed within our public educational system.

Your Committee believes that the electorate should have the opportunity to voice their opinion on this matter by having the proposed constitutional amendment presented to them for approval or rejection on the ballot at the next general election.

Your Committee has amended this bill by:

- (1) Providing that the advisory commission established in Section 17 of this bill be administratively attached to the Office of State Planning, as Hawaii does not have "free standing" boards and commissions.
- (2) Clarifying that the Superintendent of Education shall be an ex officio voting member of the advisory commission.
- (3) Inserting an appropriation clause with the amount of \$1, to allow continued discussion on the matter of funding, to the office of state planning, for staff support to the advisory commission and for reimbursement of expenses incurred by members of the advisory commission necessary for the performance of their duties.
- (4) Making technical, nonsubstantive amendments to the bill.

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. 3483, H.D. 1, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 3483, H.D. 2.

Signed by all members of the Committee except Representatives Bunda, Chun, Hirono, Oshiro, Takamine and White.
(Representatives Amaral and Thielen voted no.)

SCRep. 509-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3430

The purpose of this bill is to establish regulation for health maintenance organizations (HMOs) in the State. As HMOs are a vital component of Hawaii's health care delivery system, the public has a significant interest in ensuring the financial solvency of these companies.

Your Committees believe that as managed care becomes more attractive as a cost containment mechanism in health care reform efforts nationwide, the number of HMOs will increase and without regulation, consumers are at risk in the event of insolvency.

This measure provides for financial regulation, comparable to that required of mutual benefit societies.

Your Committees received support on this measure from the State Insurance Commissioner, Hawaii Medical Service Association (HMSA) and Kaiser Permanente. There was no testimony in opposition to this bill.

Upon further consideration, your Committees have amended this bill by:

- (1) adding a new section 2 to provide for premium rate regulation of mutual benefits societies such as HMSA and Hawaii Dental Service; and
- (2) making technical non-substantive amendments.

Your Committees further believe that the rates for health insurance should be regulated as premiums have continued to rise significantly over the past five years.

It is noted by your Committees that ratemaking of the HMO's are not provided for by this bill, but this is being deferred until such time as there is a track record of regulation for HMOs as there is for mutual benefit societies.

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. 3430, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3430, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Amaral, Hiraki, Menor, Oshiro and Peters.

SCRep. 510-94 Judiciary on H.B. No. 3630

The purpose of the bill, as received by your Committee, was to rename the Hawaiian Sovereignty Advisory Commission as the Hawaiian Sovereignty Commission (Commission) with all the powers it previously possessed, and to authorize the commission to plan and determine a mechanism for conducting special elections, to determine the process to restore sovereignty, to provide for an apportionment plan, establish eligibility of convention delegates, and establish the dates of the special elections.

Testimony generally in support of the measure was received by your Committee from representatives of the Office of State Planning, the Office of Hawaiian Affairs, and the Hawaiian Sovereignty Advisory Commission.

Your Committee was informed that the report of the commission as mandated by Act 359, Session Laws of Hawaii 1993, has yet to be formally presented to the Legislature. In hindsight, it is apparent that the Legislature did not give an adequate amount of time for the Commission to complete its important work.

Further, your Committee was informed that additional time to inform the Hawaiian community of the process contemplated by Act 359 would be desirable.

Your Committee also had serious reservations about the apparent constitutional questions which arise given the independence of the Commission as called for by the bill and the delegation of many powers to the commission in the bill.

Your Committee notes that the Legislature, in adopting Act 359, was careful to make the Commission an advisory board which would give its recommendations to the Legislature prior to the start of the legislative session. This procedure allows the Legislature the time necessary to consider and act on the recommendations so that appropriate changes to the law can be made to assure that the process moves forward in a manner that does not conflict with statutory or constitutional requirements.

Your Committee does not want the process to be disrupted, delayed, or halted because of court challenges to the constitutionality of the actions of the Commission.

Therefore, your Committee has amended the measure by returning to the language of Act 359 by retaining the language of H.B. No. 3630, H.D. 1, with respect to appropriations and severability, and by making the following additions:

- (1) A provision which permits the commission to select, consult with, and hire special counsel;
- (2) A provision which exempts the commission from the requirement that no person shall be allowed to serve on more than one state board or commission;
- (3) A direction to submit, as part of the commission's report, proposed drafts of legislation concerning the items on which the commission is to advise the Legislature; and
- (4) A new date, December 1, 1994, for submission of the report and plan, as well as a new date for the Legislature to consider the recommendation of the commission regarding a convention.

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. 3630, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3630, H.D. 2.

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

SCRep. 511-94 Judiciary on H.B. No. 2692

The purpose of this bill is to propose an amendment to Article X, Section 1 of the Constitution of the State of Hawaii to authorize the State to use the proceeds of special purpose revenue bonds to finance or assist early childhood education and care facilities provided to the general public by not-for-profit corporations.

Testimony in support of this bill was received from the Office of Children and Youth.

Your Committee finds that early childhood education and care programs serve the public interest by caring for young children while their parents are at work, and by supporting the social, emotional, intellectual, and physical development of young children so that they are ready to enter school as competent learners.

Your Committee has made a technical, nonsubstantive amendment to this bill.

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. 2692, H.D. 1, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2692, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Chun, Hirono, Oshiro, Takamine and White.

SCRep. 512-94 Hawaiian Affairs on H.B. No. 3299

The purposes of this bill are to:

- (1) Repeal the Hawaiian Home Lands Trust Individual Claims Review Panel (Panel);
- (2) Allow an individual beneficiary claimant to make a claim without the intervention of the Panel; and
- (3) Allow a class of Hawaiians or native Hawaiians to sue.

Your Committee received testimony in support of this bill from Ka Lahui Hawaii and other concerned citizens. The Office of State Planning and the Native Hawaiian Legal Corporation opposed this measure. Additional testimony was presented by the Department of Hawaiian Home Lands and the Panel.

Your Committee has amended the bill to provide Hawaiians and native Hawaiians with the option of filing their claims directly in the circuit courts of the State or with the Panel. Accordingly, your Committee has amended this bill by, among other things:

- (1) Re-phrasing the purpose statement in Section 1;
- (2) Inserting a new purpose to Section 674-1, Hawaii Revised Statutes (HRS), and deleting appropriate provisions of that section to conform to the amendments;
- (3) Clarifying in Section 674-7, HRS, that if individual beneficiaries do not file a claim after August 31, 1995, they shall forever be barred from pursuing the claim before the Panel;
- (4) Specifying in Section 674-16, HRS, that the State waives its immunity from liability for damages suffered by an individual beneficiary or a class of Hawaiians or native Hawaiians;
- (5) Inserting language in Section 674-17, HRS, relating to class claims and replacing the deadline for an individual claimant to bring an action in circuit court from October 1, 1997, to after "the Panel's recommendation on the claim of the individual claimant has been considered and acted upon by the Legislature;"
- (6) Deleting the section that would have repealed Part II of Chapter 674, HRS; and
- (7) 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 H.B. No. 3299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3299, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 513-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3365

The purpose of this bill is to establish a licensing program for social workers which:

- (1) establishes a licensing requirement consisting of one level of licensure, contingent upon achieving specific education and examination requirements;
- (2) provides grounds for disciplinary action for licensed social workers and fines for exempt government employees;
- (3) provides a private right of action for consumers who are harmed as a result of a violation of the chapter; and
- (4) appropriates funding to implement the social work licensing program.

Your Committees received testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Department of Health, Hawaii Chapter of the National Association of Social Workers, the Sex Abuse Treatment Center, Waikiki Health Center, graduate social work students from the University of Hawaii School of Social Work, social workers and private citizens.

The testimony in support of this bill emphasized that Hawaii is presently the only state that does not license social workers and that licensure and regulation will ensure optimal social work services for Hawaii's citizens.

The Hawaii Government Employees Association requested that this bill be amended to fully exempt social workers employed by the public sector from any regulation by the Department of Commerce and Consumer Affairs. Based upon your Committees' concern about the licensing exemption of government social workers, the provisions related to the imposition of financial sanctions for social workers employed with the public sector have been retained.

Upon further consideration, your Committees have amended this bill by:

- (1) Including the following language agreed upon by the National Association of Social Workers, Hawaii Chapter, and the Department of Commerce and Consumer Affairs, on page 6, line 22: "Applicants who have passed the Academy of Certified Social Workers examination administered by the National Association of Social Workers prior to June 30, 1995 shall be deemed to have satisfied the requirements of this Section";
- (2) Replacing the appropriated amount of \$1 in the appropriation section with the amount of "\$132,552, or so much thereof as may be necessary for fiscal year 1994-1995, to implement the social work licensing program. The sums appropriated shall be expended by the division of Professional and Vocational Licensing of the Department of Commerce and Consumer Affairs"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3365,

H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3365, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Hirono, Menor, Oshiro, Peters and Thielen.

SCRep. 514-94 Labor and Public Employment on H.B. No. 3180

The purpose of this bill is to clarify the functions of the Department of Personnel Services by changing its name to the Department of Human Resources Development. Accordingly, this bill also substitutes the term "human resource" for "personnel."

Testimony in support of this bill was submitted by the Hawaii State Personnel Council, the Department of Personnel Services, and the Hawaii Government Employees Association.

The Governor's Office of Affirmative Action supported the intent of this bill, but expressed concern regarding issues of equal opportunity.

Your Committee finds that managers and employees of the Department of Personnel Services have moved rapidly to reform the way business is done within the Department. Civil service has progressed beyond a merit-based attraction, selection, and retention system; it must also function as a positive management tool that helps state managers in the delivery of efficient public services for the least possible cost. Your Committee believes that this bill legitimizes the changes that have already taken place and will set the tone and establish the vision for the changes yet to come. For these reasons, the name change of "Department of Personnel Services" to "Department of Human Resources Development" will focus on developing the State's human resources.

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 H.B. No. 3180 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 Alcon, Taniguchi and Ward.

SCRep. 515-94 Judiciary and Consumer Protection and Commerce on H.B. No. 85

The purposes of this bill are to:

- (1) Repeal the restrictions on the hours of day and months of year in which auctions may be held; and
- (2) Allow the Department of Land and Natural Resources to hold auctions of natural resources seized and forfeited not less than once annually rather than once annually.

Your Committees received testimony generally in support of this bill from individual auctioneers, and comments were also received from a representative of the Honolulu Police Department.

Your Committees find that the restrictions on when auctions may be held under §445-23, Hawaii Revised Statutes are unduly burdensome on auctioneers and should be deleted. Your Committees also find that the requirement that certain auctions be held at a public auction house can drive up costs unnecessarily and should be deleted.

Your Committees have amended this bill by:

- (1) Amending Section 1 to clarify §445-23 by conforming it to changes made under Act 272, Session Laws of Hawaii of 1993 and making other technical amendments.
- (2) Adding a new section to the bill which amends §445-22 by deleting the requirement that certain personal property be sold only at public auctions held in public auction rooms and by deleting the definition of "public auction room."
- (3) Adding a new section to the bill which amends §445-28 by adding a definition of "public auction room."
- (4) Adding a new section to the bill which amends §445-29 to require any licensed auctioneer to file a written statement of the auctioneer's place for holding auctions only if the auctioneer has a designated place for holding auctions.

Your Committees have made other technical, nonsubstantive amendments to this bill.

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. 85, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 85, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Amaral, Bainum, Bunda, Hirono, Oshiro and Peters.

SCRep. 516-94 Judiciary on H.B. No. 2986

The purpose of this bill is to allow any person authorized by the court to serve a summons containing a notice specifying the time and place of an adoption hearing.

Your Committee received testimony in support of this bill from the Judiciary. The testimony pointed out that the bill would make the statutes consistent with administrative policy per the Supreme Court's amendments to Hawaii Family Court Rule 4(c).

Your Committee agrees that this bill would streamline procedure and ensure consistency. Your Committee has amended this bill by:

- (1) Changing the effective date from July 1, 1994, to the date of its approval by the Governor; and
- (2) Making other technical, nonsubstantive amendments.

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. 2986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2986, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 517-94 Judiciary on H.B. No. 1590

The purpose of this bill is to provide statutory authority for:

- (1) The Attorney General to be counsel for the Civil Service Commission of the City and County of Honolulu during an appeal hearing before the Civil Service Commission of the City and County of Honolulu; and
- (2) The Corporation Counsel for the City and County of Honolulu to be counsel for the State Civil Service Commission during an appeal hearing before the State Civil Service Commission when the appeal hearing is being conducted in the City and County of Honolulu.

Your Committee heard testimony in favor of this bill from the State Attorney General's office. The Attorney General believes this bill will eliminate the appearance of impropriety that exists when the Attorney General and the Corporation Counsel for the City and County of Honolulu represent both the appointing authority and their respective civil service commissions during appeal hearings. Your Committee has amended this measure by making technical, nonsubstantive amendments to correct drafting errors.

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. 1590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1590, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 518-94 Judiciary on H.B. No. 2975

The purposes of this bill are to:

- (1) Allow a family court officer or a state or federal criminal justice agency access to adult probation records under specified circumstances; and
- (2) Allow a treatment practitioner who is treating the defendant pursuant to court order access to a copy of the presentence report or investigative report.

The Judiciary presented testimony in favor of this bill, which is part of the Judiciary package. In its testimony, the Judiciary stated that this bill would continue to protect the privacy of defendants, while ensuring that state and federal officials who need information receive it in a timely, complete, and cost-effective manner.

Your Committee agrees that releasing adult probation records to certain state and federal officials, and treatment practitioners under specified circumstances, would save the time and expense of writing summary reports as is required under current law. There is no indication that the privacy of defendants will be unduly compromised by this legislation.

Your Committee has amended this bill by changing its effective date from July 1, 1994, to the date on which it is approved by the Governor. Your Committee has also amended this bill by making a technical, non-substantive amendment for the purpose of 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. 2975, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2975, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 519-94 Judiciary on H.B. No. 3201

The purpose of the bill is to lengthen the cycle in which voters who fail to vote are removed from the voters list, and to permit the county clerks to transfer voters' registrations to new precincts upon receipt of change of address notifications or other form or means approved by the chief election officer.

Your Committee received testimony in support of the measure from a representative of the Office of the Lieutenant Governor.

Your Committee finds that this bill will bring Hawaii into compliance with certain provisions of the National Voter Registration Act of 1993.

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. 3201 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, Bunda, Hirono, Oshiro, Peters and Thielen.

SCRep. 520-94 Judiciary on H.B. No. 1649

The purpose of this bill is to authorize the Department of Health to conduct state and national criminal history record checks on certain employees and operators of adult foster homes and developmental disabilities domiciliary homes through the Hawaii Criminal Justice Data Center.

Testimony in support of the bill was received by your committee from a representative of the Department of the Attorney General, the Department of Health, the State Planning Council on Developmental Disabilities, the State Commission on Persons with Disabilities, and the Protection and Advocacy Agency of Hawaii.

Your Committee finds that requiring criminal history record checks of caregivers and operators of adult foster homes and developmental disabilities domiciliary homes will enable the Department of Health to better assure the reputable and responsible character of the caregivers and operators it licenses.

Your Committee has amended this bill by:

- (1) Amending the definitions of "developmental disabilities domiciliary homes" and "adult foster homes" to be consistent with the definitions of those terms in Chapter 321, Hawaii Revised Statutes;
- (2) Clarifying that a reasonable fee may be assessed for criminal history record checks performed; and
- (3) Making other technical, nonsubstantive amendments to this bill as recommended by the Department of Health 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. 1649, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1649, H.D. 1.

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

SCRep. 521-94 Labor and Public Employment on H.B. No. 2515

The purpose of this bill is to permit any water safety officer to elect to become a class C, or noncontributory member of the State Employees' Retirement System.

This measure will also allow these employees to retire after at least twenty-five years of credited service, the last five years of which are credited as a water safety officer, without reduction for age.

Testimony in support of the bill was submitted by a member of the Honolulu City Council; the City and County of Honolulu Parks Department; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaiian Lifeguard Association; several water safety officers; and private citizens.

Testimony was also submitted by the administrator of the Employees' Retirement System.

Act 357, Session Laws of Hawaii 1993, required water safety officers to become contributory members subject to a mandatory contribution of twelve and two-tenths percent of compensation, similar to firefighting and other high-risk occupations. However, the intent of Act 357 was not to burden these officers with pay deductions, but to recognize the inherently dangerous nature of the work of water safety officers and to provide an early retirement without reduction for age. Accordingly, this measure will allow water safety officers to elect to become class C, or noncontributory, members.

Technical, nonsubstantive amendments have been made for 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 H.B. No. 2515, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 2515, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 522-94 Labor and Public Employment on H.B. No. 3472

The purpose of this bill is to:

- (1) Make public safety investigations staff contributing members to the Employees' Retirement System (ERS); and
- (2) Entitle public safety investigations staff to a higher retirement allowance.

Testimony in favor of this bill was presented by the Department of Public Safety. The Administrator, Employees' Retirement System, presented testimony stressing the ERS' concern with the higher contribution rate and its effect on the take-home pay of public safety investigations officers.

Your Committee has amended this bill by:

- (1) Specifying that all public safety investigations staff shall be considered contributing members of the ERS after June 30, 1994; and
- (2) Providing that public safety investigations staff who were formerly noncontributing members of the ERS shall have the option of converting to contributory status by January 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 H.B. No. 3472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3472, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 523-94 Labor and Public Employment on H.B. No. 3644

The purpose of this bill is to reform the current workers' compensation system by:

- (1) Preventing occupational injuries and illnesses from occurring which will minimize the need for the workers' compensation system; and
- (2) Identifying and eliminating all the areas of workers' compensation law that provide incentives for fraud.

More specifically, this bill, among other things,

- (1) Prohibits a physician, surgeon, or hospital from referring or prescribing treatment to another physician, surgeon, hospital, or health care provider when the referral or prescription financially benefits the one who made the referral or prescription;
- (2) Requires concurrent resolutions to be passed requesting the State Auditor to report on the social and financial impacts of any legislative measure that could increase the costs associated with workers' compensation benefits;
- (3) Establishes the Occupational Safety and Health Education and Training Fund to provide training on safe and healthful work practices, prevention of injuries and illnesses, and effective compliance with occupational safety laws;
- (4) Permits the Appeals Board to award reasonable costs to any employer:
 - (A) If either the employer prevails in an appeal of a citation issued for an occupational safety and health law violation or the citation is withdrawn; and
 - (B) If the Appeals Board finds that the citation was the result of arbitrary or capricious action or conduct by the Department of Labor and Industrial Relations;
- (5) Defines "attending physician" as a doctor of medicine, an osteopath, or a dentist if the injury is primarily dental in nature;
- (6) Amends the definition of "disability" by requiring that the loss or impairment of a physical or mental function must be determined by medical evidence supported by objective findings;
- (7) Excludes compensation for employees who:
 - (A) Unlawfully consume controlled substances;

- (B) Are injured in assaults or combats which are unrelated to the job;
- (C) Are injured during voluntary recreational or social activities; and
- (D) Develop a mental disorder arising out of specified job-related conditions;
- (8) Limits medical care furnished by the employer after the employee has attained maximum medical improvement;
- (9) Deletes the requirement for amending fee schedules based on the Consumer Price Index;
- (10) Mandates the director to use minimum statewide treatment charges as the primary guidelines in establishing reasonable fees for medical care, medical services, and medical supplies;
- (11) Provides that an employee with an existing permanent partial disability who is injured and suffers:
 - (A) Greater permanent partial disability;
 - (B) Permanent total disability; or
 - (C) Death
 shall be paid an amount apportioned to the current injury by a physician in a rating evaluation;
- (12) Computes an employee's average weekly wages to be no more than the employee's hourly rate of pay multiplied by the average number of hours actually worked by the employee in a week during the period used for computation; and
- (13) Provides that, for any violation that is not wilful or repeated, an employer may choose to provide training to the affected supervisors and employees instead of paying the penalty.

Testimony in favor of this bill was submitted by the City and County of Honolulu, the Hawaii Independent Insurance Agents Association, the Hawaii Insurers Council, the NFIB, the Coalition to Reform Obsolete Workers' Compensation Design, the Apple Wellness Group, the Kauai Business Council, the Maui Business Council, the Hawaii Island Chamber of Commerce, the Kauai Chamber of Commerce, the Maui Chamber of Commerce and its chairman, the Hawaii Island and Contractors' Association, the Hawaii Transportation Association, Kilauea Restaurant Corporation, Little Caesars', Maui Print Works, The Office Place, Bob the Phone Man, the Building Industry Association of Hawaii, the owners of Paradise Flower Farms, Inc., Kamehameha Schools/Bernice Pauahi Bishop Estate, AMFAC/JMB Hawaii Inc., the Contractors Association of Kaua'i, Del Monte Fresh Produce Inc., CILO, Security One, Dunhill Employment Services of Hawaii, R Electric, Western Temporary Services, Wailuku Agribusiness Co., Inc., Fletcher Pacific, Maui Clothing Company, Inc., The Chamber of Commerce of Hawaii, Interim Healthcare, and private citizens.

Testimony agreeing with the intent of the bill in conjunction with suggested amendments was submitted by the Department of Labor and Industrial Relations, the Hawaii Optometric Association, the Hawaii State Chiropractic Association, the Hawaii Foot Clinic, the Managed Health Care Network, and private citizens.

Testimony in opposition of this measure was received from the Hawaii State AFL-CIO, ILWU Local 142, the Pro Active Workers' Task Group, the Hawaii Nurses' Association, and concerned citizens.

This bill has been amended by:

- (1) Renaming the fund to the Occupational Safety and Health Training and Assistance Fund which will expand the current functions of the Occupational Safety and Health Education and Training Fund. In addition to the items detailed in the Occupational Safety and Health Education and Training Fund, the Occupational Safety and Health Training and Assistance Fund will:
 - (A) Permit the Department of Labor and Industrial Relations to provide grants to public agencies and organizations;
 - (B) Permit the department to fund additional state consultants to assist employers; and
 - (C) Be comprised of \$200,000 collected from penalties assessed for violations of the Occupational Safety and Health Act;
- (2) Prohibiting fee splitting by attorneys, health care providers, or surgeons;
- (3) Requiring restitution for fraudulently claimed benefits;
- (4) Prohibiting attorneys from referring an employee to any entity in which the referring attorney has a financial interest; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

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 H.B. No. 3644, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 3644, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 524-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3484

The purpose of this bill is to increase the amount of monetary recovery from the contractors recovery fund to persons suffering monetary loss through the malfeasance or nonfeasance of licensed contractors. The financial integrity of the contractors fund is also secured through a monetary assessment which may be imposed upon licensed contractors if the fund balance falls below \$250,000.

Your Committees received testimony in opposition to this bill from the Department of Commerce and Consumer Affairs, the Hawaii Business League and the Construction Industry Legislative Organization, Inc.

Despite the unfavorable testimony, your Committees feel that compensation from the Contractors Recovery Fund is often the only monetary relief available to consumers after licensed contractors fail to honor their contractual and statutory obligations.

Your Committees have amended this bill by:

- (1) Making the assessment of fees permissive, as opposed to mandatory, on the part of the contractors license board;
- (2) Requiring an an additional fee for deposit in the contractors education fund, upon application for a contractor's license; and
- (3) Making technical, nonsubstantive revisions for 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. 3484, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3484, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Hirono, Menor, Oshiro, Peters and Thielen.

SCRep. 525-95 Consumer Protection and Commerce on H.B. No. 3453

The purpose of this bill is to amend Section 431P-1, Hawaii Revised Statutes to:

- (1) Include a definition of "mortgage" for purposes of clarification;
- (2) Expand the definition of "eligible property" to include property situated in apartment or condominiums;
- (3) Provide the Hawaii Hurricane Relief Fund Board with the discretion to exempt certain mortgages from the special mortgage recording;
- (4) Enhance the expertise of the technical advisory committee by requiring representation from an insurance company, an agent knowledgeable in property insurance, and an individual trained as an escrow officer;
- (5) Increase the limit on revenue bonds from \$200 million to \$400 million in order to increase the ability of the Fund to satisfy claims and other costs. Issuance of these bonds is to be subject to the approval of the Commissioner of Insurance.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs and the Hawaii Insurers Council.

Your Committee has amended this bill to establish that policy guidelines must be established to ensure that administration of the fund is accomplished in a consistent manner and has made technical, nonsubstantive amendments for 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. 3453, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3453, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bainum, Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 526-94 Consumer Protection and Commerce on H.B. No. 3426

The purpose of this bill is to conform Hawaii's statute on insurance to meet national standards for financial regulation and accreditation.

Section 1 of the bill established the Risk-Based Capital Formula for Life and Health Insurers.

Section 2 of the bill adds a requirement that insurers file quarterly financial statements with the National Association of Insurance Commissioners (NAIC).

Section 3 of the bill updates the Standard Valuation Law under Section 431:5-307, Hawaii Revised Statutes.

Section 4 amends provisions in Hawaii's Captive Law to require association and risk retention captives to file the NAIC annual statement blank with the Insurance Division as well as with the NAIC.

Section 6 repeals the provision which sunsets the Insurance Examiners' Revolving Fund pursuant to Act 280, SLH 1993.

Your Committee heard testimony in support of this bill from the Insurance Commissioner and the Hawaii State Association of Life Underwriters. There was no testimony in opposition to this bill.

Your Committee finds that it is important for Hawaii to receive accreditation this year.

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. 3426 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bainum, Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 527-94 Consumer Protection and Commerce on H.B. No. 3585

The purpose of this bill is to balance the exceptionally high cost of constructing electric utility lines underground with other relevant factors when the Public Utilities Commission exercises its exclusive authority in determining whether it is preferable to construct the electric utility lines overhead or underground.

While there are benefits to constructing electric utility lines underground, those benefits extend not only to the utilities' ratepayers, whose rates should reflect the utilities' cost of providing reasonably reliable electric service, but extend to the public at large. Ratepayers should not be forced to pay, through their rates, for these additional costs. Accordingly, in the interest of fairness and equity to all ratepayers served by public utilities within the State, those policymaking or implementing bodies that required that electric utility lines be placed underground should provide the funds in excess of those required for overhead construction. Notwithstanding the absence of funds from those requiring entities necessary for the additional costs of underground construction, the Public Utilities Commission may approve underground construction upon consideration of the additional cost of such underground construction or other relevant factors.

Your Committee received testimony from the Public Utilities Commission, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Hawaiian Electric Company, Inc. The Public Utilities Commission and the Consumer Advocate agreed with the purpose of the bill. However, they believed the bill was too restrictive. The amendments to the bill discussed below accommodate their concerns. Hawaiian Electric Company supports the bill.

Your Committee believes that the Public Utilities Commission is the appropriate entity to determine whether electric transmission lines should be above or below ground, and that to make that determination the Public Utilities Commission should consider relevant factors.

Your Committee has amended this bill by:

- (1) Changing Section 1 of the bill to refer only to government bodies, other than the Public Utilities Commission, which if they require electric utility lines to be underground should also provide the funds in excess of those required for overhead construction, rather than also referring to other parties or entities who request that the lines be placed underground;
- (2) Changing Section 1 of the bill to refer to those situations where another government entity has required underground construction but has not provided funds for that construction, the Public Utilities Commission may approve underground construction based upon a consideration of cost and other relevant factors;
- (3) Changing Section 2 of the bill to require the Public Utilities Commission to determine whether electric transmission lines should be above or below the ground; and
- (4) Changing Section 2 of the bill to permit the Public Utilities Commission, in the determination of whether the electric transmission lines should be above or below the ground, to consider any compelling benefit to the ratepayers which outweighs the additional cost of underground construction; any public policy requiring underground lines so long as the government agency establishing such policy commits funds for the additional costs of undergrounding; the consent of the ratepayers as a whole to bear the high cost of undergrounding; the willingness of others to pay for the additional costs of undergrounding; or other relevant factors.

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. 3585, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3585, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Menor, Peters and Takamine.
(Representatives Amaral and Thielen voted no.)

SCRep. 528-94 Consumer Protection and Commerce on H.B. No. 2645

The purpose of this bill is to allow environmental health programs to divert the fees they are authorized to collect into a special fund for staff training and public outreach purposes. This bill is the result of the collaborative efforts of participants at the 1993 Energy and Environmental Summit convened by the Legislature on October 8, 1993 to identify issues and build broad-based support for initiatives that will move Hawaii forward in the areas of energy and the environment.

Your Committee finds that the establishment of this fund will enable environmental health staff and the public to have necessary education and training opportunities.

Testimony in support of this measure was received from the Hawaii State Department of Health.

Testimony in opposition to this measure was received from the Tax Foundation of Hawaii.

Your Committee has made non-substantive, technical and grammatical corrections to the 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. 2645, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2645, H.D. 1.

Signed by all members of the Committee except Representatives Amaral, Hiraki, Menor, Oshiro and Peters.

SCRep. 529-94 Finance on H.B. No. 3550

The purpose of this bill is to extend the use tax exemption for the time necessary for oil pollution removal equipment to be brought into the state and made ready for use.

Specifically, the bill will extend the use tax exemption for such equipment for an additional year.

The Department of Taxation and the Tax Foundation of Hawaii testified and are not opposed to the bill. A representative for the Marine Spill Response Corporation and Public Affairs Consultants-Hawaii testified in support of the bill. The Sierra Club also submitted testimony.

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. 3550 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 530-94 Finance on H.B. No. 3424

The purpose of this bill is to aid the Department of Budget and Finance in its change from the use of warrants to the use of checks.

Specifically, this bill will permit the automatic transfer of funds between accounts to cover payment of checks by the end of the day thereby avoiding overdrafts and the resultant unnecessary bank service charges.

The Department of Budget and Finance testified in favor 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. 3424 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 531-94 Finance on H.B. No. 3144

The purpose of this bill is to fund salary increases and other cost adjustments for fiscal biennium 1993-1995 for executive and judiciary officers and employees excluded from collective bargaining.

Section 89C-2, Hawaii Revised Statutes (HRS), provides that the compensation, terms, and conditions of employment and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the chief executive of the State, the Board of Education, the Board of Regents, or the Chief Justice, as applicable. Further,

Section 89C-5, HRS, stipulates that any adjustments that constitute cost items shall be subject to appropriation by the Legislature.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in favor 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. 3144 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 Chang and Tajiri.

SCRep. 532-94 Finance on H.B. No. 2882

The purpose of this bill is to require that contracts made between the Research Corporation of the University of Hawaii and any State agency:

- (1) Receive prior approval of the Board of Regents; and
- (2) Contain specific information.

The Research Corporation of the University of Hawaii submitted testimony on the 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. 2882 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 Chang and Tajiri.
(Representative Ward voted no.)

SCRep. 533-94 Finance on H.B. No. 2235

The purpose of this bill is to provide the same tax treatment for state-chartered credit unions as is given to federal credit unions.

Specifically, the bill would provide a state exemption from general excise tax proceeds from sales of certain tangible personal property by licensed persons to a state-chartered credit union.

The Hawaii Credit Union League testified in strong support of the bill. The Department of Commerce and Consumer Affairs testified in favor of the intent of the bill. The Department of Taxation and the Tax Foundation of Hawaii presented testimony and are not opposed to this bill.

Your Committee has made a technical, nonsubstantive amendment to the bill 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. 2235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2235, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 534-94 Finance on H.B. No. 2718

The purpose of this bill is to appropriate funding for the Judiciary to provide services to victims of domestic violence.

These services include telephone crisis counseling, referrals, community program and system information, legal representation, community education, professional training, advocacy for system reform, and technical assistance about domestic abuse issues.

The Judiciary, the State Commission on the Status of Women, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii State Committee on Family Violence, PACT, the Single Parent Advocacy Network of the YWCA, the Sex Abuse Treatment Center, the Hawaii Justice Foundation, Hawaii Lawyers Care, the Hawaii Women's Political Caucus, the Hawaii Nurses' Association, Malama Pono No Hawaii, and many individuals testified in favor of this bill.

Your Committee amended this measure by replacing the appropriation amount with \$1 for discussion purposes.

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. 2718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2718, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 535-94 Finance on H.B. No. 3090

The purpose of this bill is to ensure that tobacco products continue to be taxed at a rate no less than forty percent.

Specifically, the bill would provide for a cigarette and tobacco products tax of forty percent of their wholesale price if federal legislation passes which would raise the price of cigarettes to a point where the current three cent tax per cigarette would be lower than the forty percent rate.

The Department of Health, the American Lung Association of Hawaii, and a registered respiratory therapist testified in support of the public health implications of increasing the price of cigarettes and tobacco products. The American Heart Association testified in favor of higher taxes on these products and the Tax Foundation of Hawaii testified that an ad valorem tax base is difficult to assess since it is based on a wholesale price which is not readily available. The Department of Taxation and a representative of the Tobacco Institute also testified on the bill.

Your Committee has amended the bill by deleting its contents and replacing it with the contents of H.B. No. 3185 establishing a tax on the possession of cigarettes by wholesalers and dealers.

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. 3090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3090, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 536-94 Finance on H.B. No. 3191

The purpose of this bill is to ensure that all real property rent payments are taxed equally.

Specifically, the bill would clarify that the employee benefit plan general excise tax exemption does not include amounts received from real property rent payments.

The Department of Taxation testified in favor of the bill and the Tax Foundation of Hawaii stated that the measure is justifiable as a matter of equity and fairness.

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. 3191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3191, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 537-94 Finance on H.B. No. 1827

The purpose of this bill is to transfer the International Tourism Consulting Center and Clearinghouse from the Office of International Relations within the Office of the Governor to the Department of Business, Economic Development, and Tourism.

The Office of International Relations and the Department of Business, Economic Development, and Tourism testified in support of this measure.

Your Committee amended the bill by changing the effective date from July 1, 1993, to July 1, 1994.

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. 1827, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1827, H.D. 2.

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

SCRep. 538-94 Finance on S.B. No. 1627

The purpose of this bill is to provide funding for the Center for Hawaiian Language Curriculum Research and Development at the University of Hawaii at Manoa.

The University of Hawaii, the Office of Hawaiian Affairs, the President of the Hawaiian Language Association, the Hawaiian Language Coordinator at the University of Hawaii-Manoa, and many Hawaiian language students and their parents and teachers testified in support of this bill.

Your Committee amended the bill by:

- (1) Changing the date of the appropriation to fiscal year 1994-1995;
- (2) Revising the effective date of the bill to July 1, 1994; and
- (3) Requiring the Office of Hawaiian Affairs to match the funding.

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 S.B. No. 1627, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1627, S.D. 1, H.D. 1.

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

SCRep. 539-94 Finance on H.B. No. 2

The purpose of this bill is to provide University of Hawaii tuition waivers for spouses and dependents of persons who have been killed or permanently disabled while on active duty in the Hawaii National Guard or in the reserves of the Army, Navy, Air Force, Marine Corps, or Coast Guard.

The Department of Defense, the Hawaii National Guard Enlisted Association, the Hawaii National Guard Family Program, the Hawaii National Guard Association, the Air National Guard Noncommissioned Officer Academy Graduates Association, and the Hawaii Air National Guard Chief and Senior Master Sergeant's Council testified in support of this measure. The University of Hawaii testified that a method for processing tuition waivers currently exists.

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. 2 and recommends that it pass Third Reading.

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

SCRep. 540-94 Ocean Recreation and Marine Resources on H.B. No. 2174

The purpose of this bill is to amend Chapter 228, Hawaii Revised Statutes, by repealing Sections 11, 12, and 13 in their entirety.

Your Committee on Ocean Recreation and Marine Resources finds that the requirements for preparing, processing, and distributing the Hawaii Ocean Resources Management Plan have been completed, making Sections 11, 12, and 13 in the law no longer necessary.

Testimony in support of this measure was heard from the Department of Business, Economic Development, and Tourism, and from the Environmental Center, University of Hawaii.

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 H.B. No. 2174 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, Apo and Beirne.

SCRep. 541-94 Labor and Public Employment on S.B. No. 299

The purpose of this bill is to exclude services performed by direct sellers under certain conditions from coverage under the Hawaii Employment Security Law.

Your Committee received testimony in support of this bill from the Direct Selling Association and the Hawaii Business League.

Testimony in opposition of this bill was received from the Department of Labor and Industrial Relations, ILWU local 142, the Musicians Union, and the Hawaii Nurses' Association.

Your Committee finds that direct sellers are people who sell products at home on a commission basis. They do not work in retail establishments or for a salary. Their income is based on how much they sell, not on the hours they work. They are not treated as employees for either unemployment insurance purposes or federal income tax purposes.

Further, your Committee finds that the adoption of the federal income tax definition of direct sellers clarifies and simplifies the independent contractor status of direct sellers. It provides a clear-cut definition of direct sellers.

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. 299, 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 Alcon.

SCRep. 542-94 Finance on H.B. No. 1332

The purpose of this bill is to establish a new Level of Care IV (LOC IV) for residential care homes.

The President of the Adult Residential Care Administrators and the Physician-in-Charge of Long Term Care at Kaiser Permanente strongly supports this bill. The Hawaii Long Term Care Association and an individual testified in support of

establishing LOC IV. The Department of Health, the United Group of Home Operators, and an individual also presented testimony.

Your Committee has amended this measure by deleting the provision requiring the Department of Health to establish a LOC IV schedule of payments, and substituting a requirement that the Department of Human Services use the LOC IV payments on a demonstration basis using medicaid waiver funds managed by the Department of Human Services if, and when, they are appropriate.

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. 1332, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1332, H.D. 2.

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

SCRep. 543-94 Finance on H.B. No. 3322

The purpose of this bill is to provide emergency funding to prevent the reduction or discontinuance of financial assistance payments to needy individuals and families.

Your Committee has received a message from the Governor, dated February 4, 1994:

- (1) Stating that additional funding is needed in the Payment Programs by the second week of March 1994; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure continuation of financial assistance to low income residents for fiscal year 1994.

The Department of Human Services strongly supports this bill but noted that the amount of the general fund appropriation should be \$10,300,139.

Your Committee amended this measure by changing the general fund appropriation amount as suggested by the Department of Human Services and made technical, non-substantive 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. 3322, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3322, H.D. 2.

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

SCRep. 544-94 Finance on H.B. No. 2344

The purpose of this bill is to ensure funding for the publication of the replacement volumes of the Hawaii Revised Statutes.

The Legislative Reference Bureau testified in favor of this measure but recommended that the lapsing date be changed from 1995 to 1996 to provide enough time to complete the work. The Michie Company also submitted testimony.

Your Committee has amended the bill by:

- (1) Changing the funding period from fiscal year 1993-1994 to fiscal biennium 1993-1995;
- (2) Changing the lapsing date from 1995 to 1996; and
- (3) 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. 2344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2344, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 545-94 Finance on H.B. No. 2391

The purpose of this bill is to allow the county councils to retain their authority over the procurement, management, control, and disposal of goods, services, and construction by exempting the councils from the requirements of the Hawaii Public Procurement Code.

Testimony in support of this bill was submitted by the Maui County Council. The Finance Director of the City and County of Honolulu testified in opposition.

Your Committee, upon further consideration, has amended this bill by deleting its contents and inserting language which provides that the chairs of the county councils shall be the chief procurement officers for their respective county councils.

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. 2391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2391, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 546-94 Finance on H.B. No. 2958

The purpose of this bill is to require that anytime the Director of Finance changes an allotment:

- (1) The same percentage change shall be made for each item of appropriation; and
- (2) The Senate President and the Speaker of the House shall be notified of the change.

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. 2958 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 Chang and Tajiri.

SCRep. 547-94 Finance on H.B. No. 3131

The purpose of this bill is to appropriate funds to pay warrants that were not presented to the Treasury before the funds were transferred to the general fund.

Section 40-68, Hawaii Revised Statutes, states that warrants that are not presented to the State Treasury for payment within a prescribed time are considered paid and the money is transferred to the general fund. However, a person has ten years from the expiration date of the warrant to collect payment. To collect payment, money must be appropriated from the general fund. This bill appropriates funds for that purpose.

The Department of Accounting and General Services testified in favor of this measure.

Your Committee amended the bill by inserting the fiscal year for the \$179,451.16 appropriation and making technical, nonsubstantive changes 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. 3131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3131, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 548-94 Finance on H.B. No. 3132

The purpose of this bill is to simplify the method by which persons with claims from warrants which were not presented within a year of the warrant date may claim their payment.

Currently, when a warrant has not been presented for payment within a year from the date of the warrant, the money is transferred to the general fund. If after the transfer and within ten years of the warrant date, the person wishes to collect the payment, the money must be appropriated from the general fund for that specific purpose. This bill will establish a trust fund to hold for ten years the money for warrants which have not been presented.

Your Committee has amended this bill by including checks as well as warrants since the Department of Budget and Finance is planning to change to the use of checks beginning July 1, 1994.

The Department of Budget and Finance testified in favor 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. 3132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3132, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 549-94 Finance on H.B. No. 3181

The purpose of this bill is to:

- (1) Conform Hawaii's Income Tax Law to changes in the Internal Revenue Code; and
- (2) Provide relief from joint tax liability for innocent spouses when one spouse omits income or makes an erroneous deduction on a joint income tax return.

Conformity between the State and federal income tax law will simplify taxpayer compliance and ease administration of the state law. Changes made to the State Income Tax Law for conformity with the Internal Revenue Code include:

- (1) Making the low-income rental housing credit permanent;
- (2) Making the itemized deductions for high-income taxpayers permanent;
- (3) Requiring that charitable contributions of \$250 or more be acknowledged by the recipient;
- (4) Tightening the moving-expense deduction; and
- (5) Deleting the deduction for club memberships and lobbying expenses, and reducing the deduction for business meals and entertainment expenses.

The Department of Taxation, the Department of Budget and Finance, the Hawaii Developers Council, and the Hawaii Association of Realtors testified in support of this measure. The Tax Foundation of Hawaii also submitted testimony.

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. 3181 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 Pepper and Tajiri.

SCRep. 550-94 Finance on H.B. No. 3182

The purpose of this bill is to clarify the General Excise Tax Law by removing language that might imply a preference for Hawaii manufacturers and therefore might appear to unconstitutionally discriminate against manufacturers selling products in interstate commerce.

The Department of Taxation testified in favor of this measure. The Tax Foundation of Hawaii also testified on this measure.

Your Committee finds that recent court decisions across the country has prompted the Department of Taxation to submit this administration measure to avoid potential liability to 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. 3182 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 Pepper and Tajiri.
(Representative Ward voted no.)

SCRep. 551-94 Finance on H.B. No. 3183

The purpose of this bill is to impose a tax on generation-skipping transfers of property located in the State or which is part of a resident trust.

The Department of Taxation testified in support of this measure which will make Hawaii's laws consistent with federal provisions. The Tax Foundation of Hawaii also submitted testimony.

Your Committee has made technical, nonsubstantive amendments to this 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. 3183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3183, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 552-94 Finance on H.B. No. 3184

The purpose of this bill is to clarify conflicting statutory provisions regarding tax credit and refund claims. This bill will repeal language prohibiting the filing of credit or refund claims after three years from the due date of the tax return.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii also testified.

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. 3184 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 Pepper and Tajiri.

SCRep. 553-94 Finance on H.B. No. 3417

The purpose of this bill is to conform the general excise tax law to the income tax law in relation to revocable trusts.

Currently, the law states that a revocable trust is a separate entity from its grantor. Therefore, general excise tax must be paid on any income made by the revocable trust. However, the grantor must also report this same income and pay income tax on it. This bill provides that certain revocable trusts are not subject to the general excise tax that the grantor is required to pay.

The Department of Taxation, The Chamber of Commerce, the Hawaii Society of Certified Public Accountants, and the Hawaii State Bar Association testified in support of this measure. The Tax Foundation of Hawaii testified and is not opposed to 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. 3417 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 554-94 Finance on H.B. No. 3350

The purpose of this bill is to provide disaster relief through tax credits for real property taxes and income taxes for persons suffering loss from a natural disaster.

The Department of Taxation and the Mayor of Kauai testified against the bill except for the parts recommending repeal of Chapter 234 which grants tax relief for disaster victims. The Mayor stated that direct aid in the form of grants, loans, or retraining or employment programs would be more effective. The Department of Defense testified on the bill and suggested amendments. The Tax Foundation of Hawaii presented testimony and was not opposed to the bill.

Your Committee has amended the bill by deleting all the provisions except those repealing Chapter 234, Hawaii Revised Statutes.

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. 3350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3350, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Tajiri.

SCRep. 555-94 Finance on H.B. No. 3188

The purpose of this bill is to provide that when estate and transfer taxes, general excise taxes, fuel taxes, conveyance taxes, or rental motor vehicle and tour vehicle surcharge taxes are claimed to be unconstitutional, a refund may not be made administratively but must be pursued through a tax appeal.

The bill also conforms the statute of limitations on credits or refunds of transient accommodations taxes and rental motor vehicle and tour vehicle surcharge taxes to the general excise tax law.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii also submitted testimony.

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. 3188 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 Pepper and Tajiri.

SCRep. 556-94 Finance on H.B. No. 3186

The purpose of this bill is to provide tax relief for persons who are blind, deaf, or totally disabled.

Specifically, the bill would provide that the general excise tax rate on gross income received by a revocable living trust having a grantor who is blind, deaf, or totally disabled would be one-half of one percent. This is the same rate given individuals who are blind, deaf, or totally disabled. The bill would also extend the \$2,000 general excise tax exemption afforded individuals who are blind, deaf, or totally disabled to:

- (1) Corporations all of whose outstanding shares are owned by individuals who are blind, deaf, or totally disabled; and
- (2) Revocable living trusts having grantors who are blind, deaf, or totally disabled.

The tax relief granted to revocable living trusts is meant to benefit only those persons who are blind, deaf, or totally disabled, and is not meant to pass to their heirs. Since a revocable living trust becomes an irrevocable living trust upon the death of the grantor, this tax relief cannot be passed on to the grantor's beneficiaries.

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. 3186 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 Chang and Tajiri.

SCRep. 557-94 Judiciary on H.B. No. 3476

The purpose of this bill is to allow the Attorney General to defend providers of medical, dental, or psychological services to prison inmates if the providers are under contract to the Department of Public Safety and are subsequently sued by inmates in connection with the provision of these services.

Your Committee heard testimony in favor of this bill from the State Attorney General and the Department of Public Safety. The Committee agrees with these state agencies that by allowing state legal protection, the bill will help the Department of Public Safety attract an adequate number of medical, dental, and psychological contractors.

Your Committee has amended the bill by making a nonsubstantive amendment to correct a technical drafting error.

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. 3476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3476, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 558-94 Judiciary on H.B. No. 2190

The purpose of the bill is to provide statutory authority for an award of attorneys' fees to the prevailing party in an action seeking to enforce a child support order.

Testimony in support of the bill was received by your Committee from representatives of the Hawaii State Commission on the Status of Women, the Hawaii Green Party and Hawaii Lawyers Care.

Your Committee finds that many people of limited financial resources are forced to go to court to enforce a child support order. The legal process can become very time consuming.

Your Committee believes that providing statutory authority for an award of reasonable fees in such cases will encourage delinquent parents to pay past due support before they become liable for additional charges. In addition, more attorneys may be willing to accept cases on behalf of the parent who is owed support if an award of fees becomes a regular feature of the action.

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. 2190 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 Hirono, Oshiro, Peters, Takamine and White.

SCRep. 559-94 Judiciary on H.B. No. 2386

The purpose of this bill is to eliminate, for businesses organized on or before July 1, 1987, the requirements of super-majorities for amendment of articles of incorporation, merger or consolidation, sale of assets other than in the regular course of business, and voluntary dissolution.

Your Committee received testimony in support of the measure from a representative of Maui Land & Pineapple Company, Inc.

Your Committee finds that in 1987 the Hawaii Legislature passed the Hawaii Business Corporation Act patterned after the Model Business Corporation Act. In the Model Act, a simple majority of shareholders is required for amendment to the articles of incorporation, merger or consolidation, sale of assets other than in the regular course of business, and voluntary dissolution.

In a deviation from the Model Act, not followed by 32 of the 36 states which adopted the Model Act, the Hawaii law provided that businesses organized on or before July 1, 1987, remain bound by the super-majority rules of the former law.

Your Committee is concerned that under present law, older corporations may be unable to be flexible enough to compete effectively with new corporations. For example, merger, consolidation or share exchange may be desired by a majority of shareholders for the good of the company but cannot be accomplished without the super-majority vote.

Your Committee believes that all Hawaii corporations should be able to take advantage of the streamlined Model Act in order to compete on a level playing field.

Because of concerns expressed with regard to the necessity for the Business Registration Division to change certain forms and procedures, your Committee has amended the measure so that it will take effect ninety days after approval.

In addition, technical, nonsubstantive amendments were 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 H.B. No. 2386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2386, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bunda, Cachola, Hirono and Peters.
(Representatives Amaral, Chun and Thielen voted no.)

SCRep. 560-94 Judiciary and Consumer Protection and Commerce on H.B. No. 2228

The purpose of the bill is to provide statutory authority for the blocking of renewal of various licenses for failure to pay child support when arrearages are equal to or exceed the amount of child support due in one year.

Your Committees received testimony in support of the measure, but requesting amendments, from representatives of the State Attorney General, the Department of Health, the Department of Commerce and Consumer Affairs, and the City and County of Honolulu.

Your Committee finds that the threat of non-renewal of licenses of delinquent parents is a powerful tool to encourage payment of child support arrearages. It can be especially effective with parents who depend on their licenses to earn a living, who are self-employed, or who earn income through means other than a regular paycheck.

Hawaii has an interest in seeing that the license holder is law-abiding, honors the State's judicial orders, and does not place the burden of supporting his or her children on the taxpayers.

However, with such a powerful weapon, safeguards need to be enacted so that due process concerns are addressed, and the support needs of the children are not forgotten in a zeal to pursue the delinquent payor. Situations can and will arise where the application of this weapon in a particular circumstance may not be in the best interests of the child for whose benefit the child support was originally entered.

Therefore, your Committees have accepted the basic purpose of the measure, but have extensively redrafted the proposal by fashioning a statutory scheme, through wholesale revision and amendment of the bill, which closely follows the child support enforcement agency's current statutory authority to establish and enforce liens and the Family Court's statutory authority to sequester property.

This bill as received required each individual agency which renews licenses to develop their own procedures for making such essential determinations as whether there was in fact an arrearage and whether and under what circumstances the licenses could be renewed. All of this language was eliminated.

Instead, statutory authority for the procedure was placed in Chapters 576D and 580.

Because of the need for additional time for the proper procedures and paperwork to be put in place, the effective date has been changed to July 1, 1995.

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. 2228, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2228, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 561-94 Finance on H.B. No. 3160

The purpose of this bill is to make an emergency appropriation of \$2,165,690 for fiscal year 1993-1994 to assure the continued provision of foster board payments.

Your Committee has received a message from the Governor, dated February 4, 1994:

- (1) Stating that additional funding is needed in the Child Foster Care Services Program by the first week of April 1994; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure continuation of financial assistance to children in foster care placement for fiscal year 1993-1994.

Supportive testimony was submitted by the Department of Human Services.

The Director of Human Services testified that the increase in cost for the care and maintenance of children in placement exceeds the appropriated funds for this program for fiscal year 1993-1994. Based on the actual expenditures of \$6,408,343 in the first six months of fiscal year 1993-1994, and the projected expenditures of \$7,004,844 for the second

half of that year, the Department of Human Services will need a total of \$2,165,690 to assure continued board and board-related payments at current levels through fiscal year 1993-1994.

Your Committee has amended this bill as follows:

- (1) Corrected a typographical error by changing the citation of the Governor's power to request immediate passage of an appropriation bill to the correct citation, Section 9 of Article VII of the Constitution of Hawaii; and
- (2) Made technical, nonsubstantive amendments for the purposes of clarity, style, and conformity.

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. 3160, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3160, H.D. 2.

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

SCRep. 562-94 Finance on H.B. No. 3328

The purpose of this bill is to increase the special fund appropriation for Hilo Hospital and Maui Memorial Hospital to enable the hospitals to meet increased contract costs based on a change in billing.

Your Committee has received a message from the Governor, dated February 4, 1994:

- (1) Stating that additional funding is needed to reimburse contractors for various ancillary services; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure reimbursement for these contractors.

The Department of Health submitted testimony strongly supporting this bill.

Your Committee amended this bill by

- (1) Clarifying that the appropriation is from the respective hospital special funds;
- (2) Inserting the amounts of the appropriations; and
- (3) 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. 3328, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3328, H.D. 2.

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

SCRep. 563-94 Finance on H.B. No. 3383

The purpose of this bill is to:

- (1) Extend the incentives for private developers of affordable housing; and
- (2) Lower the price of housing considered "affordable."

Specifically, the bill would extend for one year the completion date for erecting affordable housing and would redefine "affordable housing units" to mean those units sold at prices or rented at rates affordable to households earning up to one hundred percent of the area median income.

The City and County of Honolulu testified in favor of the one year extension but against amending the definition of "affordable housing units." The Department of Taxation, the Housing Finance and Development Corporation and the Tax Foundation of Hawaii did not oppose the bill.

Your Committee amended the bill by:

- (1) Retaining the current definition of "affordable housing units"; 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. 3383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3383, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 564-94 Health on H.C.R. No. 27

The purpose of this concurrent resolution is to urge Hawaii's representatives in Congress to make all appropriate efforts to ensure that Hawaii has flexibility in the event that a national health care plan is implemented.

Testimonies in support of this concurrent resolution were received from the Department of Health, The Chamber of Commerce, HMSA, the Healthcare Association of Hawaii, the Hawaii Nurses Association, the Hawaii Medical Association, and the Department of Labor.

It was pointed out by the aforementioned organizations and agencies that Hawaii already has one of the best systems of health care in the nation. Further, your Committee noted that much of the national health care reform is based on Hawaii's health care system.

However, it was realized that through enactment of a national health care reform act, Hawaii may lose its flexibility and may be mandated to accept components of the national plan which would not be useful in Hawaii.

Therefore, in order to protect this flexibility and to meet the unique needs of the citizens of the State of Hawaii, your Committee has passed this concurrent resolution with the following amendment:

- (1) Changing the effective date of the Hawaii Prepaid Health Care Act which was erroneously printed in the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 27, H.D. 1.

Signed by all members of the Committee except Representatives Chun, Kawakami and Tanimoto.

SCRep. 565-94 Judiciary on H.B. No. 2220

The purpose of the bill, as received by your Committee, was to amend Chapter 707, Hawaii Revised Statutes, by repealing Sections 707-726 and 707-727 and creating a new custodial interference section.

Testimony in support of the measure was received by your Committee from representatives of the Hawaii State Commission on the Status of Women, the Police Department of the City and County of Honolulu, and from a private attorney.

Testimony suggesting retention of the current statutory structure, with some amendments, was received by your Committee from a representative of the Department of the Prosecuting Attorney of the City and County of Honolulu. A representative of the Office of the Public Defender submitted testimony to your Committee opposing the measure.

Your Committee finds that a less radical change to the current statutory language could address many of the concerns of proponents of the bill, without introducing possibly confusing or unclear language.

Your Committee finds that the current law does not appear to explicitly cover the situation where interference is in the nature of a concealment or detention.

Your Committee, therefore, has amended the measure by deleting all of the references to a new custodial interference statute, eliminating the repeal of sections 707-726 and 707-727, and inserting into the current custodial interference laws language which provides the state of mind necessary for the commission of the offenses. In addition, the words "conceals or detains" have been added to the definition of the offenses. Lastly, an amendment has been made by making custodial interference in the second degree a Class C felony if the child is taken, enticed, concealed or detained outside of the state.

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. 2220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2220, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hirono, Oshiro, Peters, Takamine and White.

SCRep. 566-94 Judiciary on H.B. No. 2725

The purposes of this bill are to:

- (1) Codify due process requirements in regard to forfeiture pursuant to United States v. Good by:
 - (a) Allowing real property subject to forfeiture to be seized only pursuant to a court order issued after a pre-seizure hearing; and
 - (b) Requiring that interest-holders in the property subject to forfeiture be notified of the pre-seizure hearing;
- (2) Specify when the State may commence a forfeiture proceeding;

- (3) Clarify how the thirty-day time period for filing a petition for remission or mitigation of forfeiture is computed; and
- (4) Specify that all petitions for remission or mitigation shall be signed by the petitioner and sworn on oath before a notary public.

Your Committee received testimony in favor of the bill from the Department of the State Attorney General. The Office of the Public Defender submitted testimony generally in favor of the bill, with suggested amendments.

Your Committee recognizes the importance of complying fully with federal case law pertaining to due process, and also of ensuring that the statutes are as clear as possible on the circumstances and procedures surrounding forfeiture.

As suggested by the Office of the Public Defender, your Committee has amended the bill by requiring that notice of a pre-seizure hearing be given to owners of, as well as interest-holders in, real property subject to forfeiture. The Committee also has 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. 2725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2725, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 567-94 Judiciary on H.B. No. 3511

The purpose of the bill, as received by your Committee, was to amend Rule 404 of the Hawaii Rules of Evidence by providing that, upon request, the proponent of evidence to be offered of other crimes, wrongs, or acts shall provide reasonable notice in advance of the trial, or during trial if the court excuses pretrial notice on good cause shown, of the date, location, and general nature of any such evidence it intends to introduce at trial.

Testimony in support of the measure was received by your Committee from representatives of the Judiciary and the Office of the Public Defender.

Your Committee notes that the notice provision in the rule was modeled after a change recently made to the Federal Rules of Evidence. However, the Federal Rules, in this regard, apply to criminal, and not civil cases. Your Committee believes that civil cases should follow the discovery rules contained in the Rules of Civil Procedure.

Further, the Hawaii Supreme Court's Standing Committee on Rules of Evidence had voted to delete the requirement of a request prior to notice being given.

Therefore, your Committee has amended the measure by limiting the notice provision to criminal cases and by deleting the words "Upon request" appearing in subsection (b).

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. 3511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3511, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 568-94 Judiciary on H.B. No. 3610

The purpose of the bill is to allow the Department of Accounting and General Services to adopt rules as may be necessary or desirable for the operation and maintenance of public buildings.

Testimony in support of the measure was received by your Committee from representatives of the Department of Accounting and General Services and the Department of Public Safety.

Your Committee finds that rules for the operation and maintenance of public buildings are essential for proper management.

However, given the fact that the buildings are public buildings, special caution must be exercised in adopting these rules so that important constitutional rights are not infringed.

Your Committee wishes to make it absolutely clear that the adoption of this bill is not, in any way, intended to permit rules to be established which impinge on the rights of our citizens to petition the government for the redress of grievances, to engage in the free expression of speech, or to exercise any other right guaranteed by either the State or Federal Constitution.

Your Committee has amended this measure by eliminating the words "control of" appearing in the Section 1 of the proposed amendment to Section 26-6(c) of the bill, and by eliminating the provision that a violation of a rule would constitute a petty misdemeanor, thus prohibiting the rules from establishing new crimes.

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. 3610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3610, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 569-94 Human Services on H.B. No. 2949

The purpose of this bill is to establish the first Sunday in October as Children's Day and the following week as Children's Week.

Testimony from the Department of Health, Governor's Office of Children and Youth, and Hawaii State Teachers Association was received in full support of this measure.

It is noted by your Committee that this measure will help to build the necessary public commitment and a sense of purpose to focus on critical issues affecting our children. By designating a Children's Day and a Children's Week, it will not only acknowledge the contributions our children make to the world, but also to reaffirm our commitment to invest time, leadership, and financial resources to effectively address the needs of Hawaii's children.

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 H.B. No. 2949 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 Duldulao, Peters and Tanimoto.

SCRep. 570-94 Human Services on H.B. No. 3156

The purpose of this bill is to amend Section 346-71, HRS, in order to ensure that the determination and certification of mental impairment is done by a psychiatrist or psychologist who has been oriented on the Department of Human Services' guidelines and objective criteria for mental impairment, and to delete certain requirements in the treatment of a general assistance individual who has been determined to be mentally impaired.

Testimony from the Department of Human Services was received in full support of this measure.

It is noted by your Committee that under the Health QUEST waiver, the current fee-for-service system will be replaced by qualified health plans that will provide all services for a capitated fee, including conducting the examination for mental impairment for general assistance recipients. The current procedural requirements specified in the statutes will therefore not be applicable when the Health QUEST waiver is implemented.

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 H.B. No. 3156 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 Duldulao, Peters and Tanimoto.

SCRep. 571-94 Human Services on H.B. No. 3321

The purpose of this bill is to exempt members of the State Rehabilitation Advisory Council and the Statewide Independent Living Council from the requirements of Section 78-4, HRS.

Testimony from the Department of Human Services and Commission on Persons with Disabilities was received in full support of this measure.

It is noted by your Committee that the passage of this bill would assure compliance with the Rehabilitation Act Amendments of 1992 and allow the Department of Human Services the flexibility to pursue representation from disability groups which may have few individuals willing to serve.

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 H.B. No. 3321 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 Duldulao, Peters and Tanimoto.

SCRep. 572-94 Judiciary on H.B. No. 3137

The purposes of this bill are to:

- (1) Establish the Office of Child Support Hearings within the Department of the Attorney General;
- (2) Specify the duties of that Office;
- (3) Grant hearings officers within the Office of Child Support Hearings immunity from liability while acting in their official capacity;
- (4) Define the parties to an administrative hearing and clarify that all parties are entitled to due process and equal protection in the administrative process; and
- (5) Make other clarifying amendments with respect to the duties of the Child Support Enforcement Agency and the Office of Child Support Hearings.

Your Committee received testimony in favor of this bill from the State Attorney General, who noted that this bill reflects an internal reorganization of the Child Support Enforcement Agency, and corrects certain ambiguities in the statute governing child support enforcement.

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. 3137 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 Bunda, Hirono, Oshiro, Peters and Takamine.

SCRep. 573-94 Judiciary on H.B. No. 3302

The purpose of this bill is to allow boards to hold meetings by videoconference if:

- (1) The system used allows both audio and visual interaction among all members of the board participating and the public;
- (2) The notice of the board meeting specifies all locations at which board members will be present, and provides for public attendance at all locations;
- (3) Quorum and voting requirements are determined by the number of board members present at all locations; and
- (4) The meeting is terminated upon failure of either the audio or visual portion of the communication, whether or not a quorum of the board is present at one location.

Your Committee received testimony in support of the bill from the Office of the Attorney General, which noted that, given the fact that many board members live on neighbor islands, it may be more efficient and more cost-effective to conduct meetings by videoconference when possible.

Given the fact that the bill provides a number of safeguards to ensure public access to and participation in board meetings if conducted by videoconference, your Committee agrees with the Office of the Attorney General that this bill has the potential to enhance the efficiency and cost-effectiveness of State boards.

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. 3302 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 Bunda, Herkes, Hirono, Peters and Takamine.

SCRep. 574-94 Judiciary on H.B. No. 2818

The purpose of this bill is to make clarifying and conforming amendments to the Uniform Simultaneous Death Act (Act 122, Session Laws of Hawaii 1993). Specifically, the bill:

- (1) Waives the one hundred twenty hour survival requirement under certain circumstances; and
- (2) Requires clear and convincing evidence of survival when the one hundred twenty hour requirement is waived.

Your Committee received testimony in favor of the bill from Hawaii's Commission to Promote Uniform Legislation, which noted that the waiver of the one hundred twenty hour survival requirement when clear and convincing evidence of survival is presented will help eliminate administrative burdens in processing estates. In addition, the amendments will bring Hawaii's statute further in conformity with the national model.

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. 2818 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 Bunda, Herkes, Hirono, Peters and Takamine.

SCRep. 575-94 Finance on H.B. No. 3169

The purpose of this bill is to mandate the Department of Labor and Industrial Relations (DLIR) to establish and use a worker profiling system, mandated by federal law.

The profiling system will:

- (1) Identify which claimants are likely to exhaust regular compensation and will need job search assistance services;
- (2) Refer these claimants to reemployment services; and
- (3) Collect follow-up information.

Your Committee received testimony from DLIR in strong 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. 3169 and recommends that it pass Third Reading.

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

SCRep. 576-94 Finance on H.B. No. 3157

The purpose of this bill is to eliminate the requirement for the Director of Human Services to make an annual report to the Legislature on the Nursing Home Without Walls Program.

The Department of Human Services 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. 3157 and recommends that it pass Third Reading.

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

SCRep. 577-94 Finance on H.B. No. 3147

The purpose of this bill is to include the Housing Loan Program Revenue Bond Special Fund and the Housing Project Bond Special Fund among those special funds that are exempt from the five percent deduction and transfer for central service expenses.

Your Committee received testimony in strong support of the measure from the Housing Finance and Development Corporation.

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. 3147 and recommends that it pass Third Reading.

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

SCRep. 578-94 Finance on H.B. No. 2862

The purpose of this bill is to authorize the Director of Budget and Finance to accept surety bonds as collateral for public deposits; provided that any surety bond issued by a licensed insurance company is rated in the highest category by nationally-recognized statistical rating agencies in an amount equal to the face value of the surety bond.

Testimony in support of this bill was submitted by the Hawaii Bankers Association and the Municipal Bond Investors Assurance Corporation. The Department of Budget and Finance submitted comments on 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. 2862 and recommends that it pass Third Reading.

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

SCRep. 579-94 Finance on H.B. No. 2596

The purpose of this bill is to establish the Social Sciences Training and Research Laboratory Revolving Fund.

Your Committee received testimony in support of the bill from the Senior Vice President and Chancellor of the University of Hawaii-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. 2596 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 580-94 Finance on H.B. No. 3198

The purpose of this bill is to retain two revolving funds of the University of Hawaii (UH):

- (1) The UH-Manoa intercollegiate athletics revolving fund; and
- (2) The UH-Hilo intercollegiate athletics revolving fund.

This bill would insert language establishing these two revolving funds and would delete provisions that:

- (1) Authorize the UH to establish appropriate charges for activities related to its athletic programs and the use of its athletic facilities; and
- (2) Require that all proceeds be deposited into the general fund.

The UH testified in support of this bill.

Upon further consideration, your Committee has amended this bill to correct a technical drafting error by replacing the contents of Section 1 with new language that:

- (1) States the intent of the Legislature to retain the two revolving funds (new Section 1);
- (2) Amends Act 280, SLH 1993, by deleting Section 41 in its entirety (new Section 2) and modifying Section 64 (new Section 3); and
- (3) Establishes June 29, 1994, as the effective date of this bill.

The original bill erroneously proposed to delete statutory provisions from Section 41 of Act 280 that will not go into effect until June 30, 1994. The amendments would correct this error by retaining the existing statutes that authorize these two revolving funds.

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. 3198, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3198, H.D. 1.

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

SCRep. 581-94 Finance on H.B. No. 2925

The purpose of this bill is to repeal the provision that the current Prepaid Health Care Act will sunset if a national health plan is enacted. Since federal law precludes making substantive changes to the Prepaid Health Care Act, the bill would take effect upon the effective date of a federal act permitting its amendment.

The Department of Health submitted testimony in strong support of this measure. The Department of Labor and Industrial Relations and the Hawaii Medical Service Association submitted testimony in favor 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. 2925, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 582-94 Finance on H.B. No. 2309

The purpose of this bill is allow the Traffic Violations Bureaus of the District Courts to collect a fee of up to \$5 for processing and releasing a certified abstract of a person's driving record, at that person's request.

Your Committee received testimony in support of the bill from the Judiciary, noting that the District Courts issue between 300,000 and 400,000 traffic abstracts each year, and that the processing fees for these documents have not been increased since 1982.

Your Committee has amended this measure by increasing the maximum fee allowed from \$5 to \$10.

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. 2309, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2309, H.D. 2.

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

SCRep. 583-94 Judiciary on H.B. No. 2219

The purpose of the bill is to provide for the prompt reporting and dissemination of missing children reports.

Testimony in support of the measure was received by your Committee from representatives of the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Green Party.

Your Committee finds that Hawaii is one of eight states that have not adopted the Federal Missing Children Act. Present laws make it difficult for law enforcement officials to respond quickly when children are missing.

Your Committee believes that adoption of this measure will help Hawaii's law enforcement agencies to respond more effectively when children are missing or have been abducted.

In order to more closely track the federal act, the measure has been amended on page 1 by:

- (1) Eliminating the word "written" on line 6.
- (2) Repositioning the word "immediately" to the beginning of line 8 and line 13; and
- (3) Substituting the words "Report pertinent information about the missing child" for "Communicate the report" on line 10.

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. 2219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2219, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hirono, Oshiro, Peters, Takamine and White.

SCRep. 584-94 Intergovernmental Relations and International Affairs on H.C.R. No. 52

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to serve as the lead agency in organizing state executive agencies to report to the Legislature on the impact of the North American Free Trade Agreement (NAFTA) on the State.

The DBEDT testified in support of the intent of this concurrent resolution. Testimony was also submitted by the Office of International Relations (OIR), which indicated that it would be willing to work with all state agencies and other parties on the NAFTA accord.

Your Committee recognizes that there is need for a comprehensive review of all environmental and other state laws for possible conflict with NAFTA, as well as a review of the impact of NAFTA on the State and determination regarding how the State and the Hawaii's industries can benefit from NAFTA. Your Committee also notes that OIR is currently responsible for monitoring, coordinating, and developing State policy on international trade and investment negotiations.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing the lead agency from DBEDT to OIR as the lead agency to report to the Legislature on the impact of NAFTA on the State;
- (2) Amending the title of the concurrent resolution to reflect the substantive amendments made to the concurrent resolution to read: "REQUESTING THE OFFICE OF INTERNATIONAL RELATIONS TO REPORT TO THE LEGISLATURE ON THE IMPACT UPON THE STATE OF THE NORTH AMERICAN FREE TRADE AGREEMENT"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, 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 concurs with the intent and purpose of H.C.R. No. 52, as amended herein, and recommends that it be referred to the Committee on Economic Development and Business Concerns in the form attached hereto as H.C.R. No. 52, H.D. 1.

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

SCRep. 585-94 Judiciary on H.B. No. 3190

The purpose of this bill is to open to public inspection written opinions of the Department of Taxation that interpret the tax laws, while at the same time maintaining the confidentiality of tax return information.

Your Committee received testimony in support of the measure from a representative of the Office of Information Practices and from several attorneys in private practice who specialize in tax law. In addition, your Committee also

received testimony from a representative of the Department of Taxation (Department) who supports this bill and recommends that minor changes be made.

In adopting this measure, the intent of your Committee is not to open to public inspection routine requests for tax return information. Nor does your Committee intend that the Department's voluminous correspondence and other communications with taxpayers concerning established principles of law (such as the many letters issued routinely answering taxpayer requests which taxpayers could answer themselves by doing minimal research, approvals of changes in accounting method for net income tax, or the grant or denial of registration of nonprofit organizations for exemption from the general excise tax), be available to the public under this bill. Your Committee recognizes that these kinds of documents involve the application of tax laws to particular taxpayers' factual circumstances; nevertheless, your Committee has determined that disclosure of these documents or the information in these documents would be of little benefit to the public.

Your Committee notes that requiring the Department to assume the burden and expense of compiling and indexing routine determinations and segregating protected or confidential information would only provide information on well-established principles of law already available to the public. Your Committee notes that the Internal Revenue Service does not open information that will remain closed under this bill.

Your Committee is in agreement with testimony presented by the Department that taxpayers could benefit if the law is amended to provide limited access to information in tax determinations written by the Department's Technical Review Office on tax issues that are evolving or otherwise not well-established; thus, this bill allows public access only to information contained in those certain tax determinations written by the Department's Technical Review Office. Your Committee emphasizes that it intends to enact only this narrow exception to the well-established principle that state tax return information, which includes written opinions, is confidential. See, for example, Office of Information Practices Opinion No. 92-10 (1992).

Your Committee recognizes that by enacting this bill, Hawaii would become one of only a few states that have undertaken to provide tax return information to the public. Your Committee, therefore, is taking a conservative approach in the amendment of the law by this bill. Accordingly, your Committee believes that doubts about whether information should be publicly disclosed should be resolved in favor of nondisclosure.

Your Committee has amended this bill as follows:

- (1) Amending Section 2 by adding language to subparagraph (b)(3) of Section 231, Hawaii Revised Statutes (HRS), to further define the definition of a "determination letter";
- (2) Amending Section 2 by adding clarifying language in subsection (h) of Section 231, HRS, that in the event of a contested case, the Department shall make the written opinion public only after the final decision in the case;
- (3) Amending Section 2 by adding "pursuant to this section" at the end of subsection (k) of Section 231, HRS; and
- (4) Making technical and nonsubstantive changes to this bill 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. 3190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3190, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 586-94 Judiciary on H.B. No. 3170

The purposes of this bill are to:

- (1) Reduce the total number of arbitration board members who hear contested marine inspections from four (including the original inspector) to three (including the original inspector);
- (2) Extend the time period during which the Department of Transportation must conduct an administrative hearing on a vessel impoundment at the written request of the owner or operator from seventy-two hours to five days; and
- (3) Specify procedures for disposing of unclaimed vessels.

The Department of Land and Natural Resources (DLNR) submitted testimony in support of this bill, stating that the extension of time for holding an administrative hearing on impoundment is necessary to allow all parties adequate preparation time. The DLNR also noted that the provisions of the bill providing for disposition of unclaimed vessels will allow the Department to dispose of vessels that do not fall within current statutory definitions of "abandoned" or "derelict" vessels.

Your Committee agrees with the DLNR on extending the time period for administrative hearings on impoundments and clarifying procedures for disposal of unclaimed vessels. The Committee has amended the bill by:

- (1) Specifying that the marine inspector who conducts the original inspection of a vessel cannot be a member of the arbitration board that hears the contested inspection, and leaving the number of arbitration board members at three; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3170, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3170, H.D. 2.

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

SCRep. 587-94 Judiciary on H.B. No. 2361

The purpose of this bill is to allow the court to require a person who violates certain traffic offenses to attend a driver retraining course.

The Judiciary and the Department of Transportation submitted testimony in support of the bill.

Your Committee agrees that the bill will clarify the court's authority in regard to using driver retraining as a sentencing alternative, and has amended the bill by making nonsubstantive amendments to correct technical drafting errors.

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. 2361, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2361, H.D. 1.

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

SCRep. 588-94 Judiciary on H.B. No. 3491

The purposes of this bill are to exempt drivers:

- (1) With a first conviction for failure to have an effective no-fault policy; and
- (2) Who are able to produce evidence within ninety days of the conviction that they have obtained an effective no-fault policy

from the requirement under Section 287-20, Hawaii Revised Statutes (HRS), that they provide proof of financial responsibility.

The Judiciary and the City and County of Honolulu offered comments on the bill. The Judiciary noted that of those drivers convicted for failure to have an effective no-fault policy, less than thirty percent actually file proof of financial responsibility. The reason for this low rate of filing appears to be the double financial burden of paying for both the proof and the no-fault coverage.

The City and County of Honolulu commented that the court should have the flexibility of deciding if proof of financial responsibility is needed for persons convicted of failure to have an effective no-fault policy for the first time.

Your Committee finds that the requirement to provide proof of financial responsibility is overly burdensome for a first-time insurance offense, and has amended this bill by:

- (1) Deleting failure to have an effective no-fault policy as an offense for which proof of financial responsibility is required under Section 287-20, HRS; and
- (2) Making other technical, nonsubstantive amendments.

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. 3491, H.D. 1, as amended herein, and recommends and that it pass Third Reading in the form attached hereto as H.B. No. 3491, H.D. 2.

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

SCRep. 589-94 Judiciary on H.B. No. 2287

The purposes of this bill are to:

- (1) Define "flatrack" as an open-sided platform mounted on a chassis without motive power designed to be drawn by a motor vehicle and used to carry property; and
- (2) Allow a consignee or shipper to be held responsible for weight violations of cargo transported by flatrack.

The Department of Transportation and the Hawaii Transportation Association submitted testimony in support of this bill.

Your Committee finds that flatrack vehicles are a major source of weight violations in the State. Allowing the consignee or shipper to be held responsible for these violations should help reduce the number of violations.

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. 2287, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 590-94 Judiciary on H.B. No. 3729

The purpose of this bill is to make manufacturing, selling, distributing, using, or having in one's possession a fake driver's license or identification card with the appearance of a driver's license a misdemeanor offense.

The State Department of Transportation, the City and County of Honolulu Department of Finance, the City and County of Honolulu Police Department, and Mothers Against Drunk Driving submitted testimony in support of the bill. Your Committee agrees with the testimony presented that a stronger law is needed to discourage the proliferation of fake driver's licenses.

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. 3729, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 591-94 Finance on H.B. No. 2622

The purpose of this bill is to extend the expiration date to December 31, 1995, for the Department of Land and Natural Resources to negotiate and enter into long-term lease arrangements of public lands with Kalapana residents of Hawaiian ancestry who were dispossessed or displaced from their homes as a result of volcanic eruptions.

Testimony in support of the bill was received from the Executive Director of the Hawaii County Economic Opportunity Council. Your Committee also received testimony in support of the intent of the bill from the Office of Hawaiian Affairs. The Department of Land and Natural Resources testified that it had no objections to the extension of the sunset date contained in the bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments 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. 2622, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2622, H.D. 1.

Signed by all members of the Committee.

SCRep. 592-94 Finance on H.B. No. 2644

The purposes of this bill are to:

- (1) Authorize the Director of Health to charge fees for permits and variances issued for wastewater systems; and
- (2) Require all fees to be deposited into the Environmental Management Special Fund.

The Department of Health, the Tax Foundation, and the Sierra Club of Hawaii submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Establishing that fees shall be between a minimum of \$100 and a maximum of \$500 per permit or variance; 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. 2644, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2644, H.D. 1.

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

SCRep. 593-94 Finance on H.B. No. 2746

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to Energy Associates of Hawaii, Inc., for the construction of a demonstration fuel-grade ethanol production plant in Hamakua, Kau, or Waialua.

The Department of Business, Economic Development, and Tourism testified in support of this measure.

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

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. 2746, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2746, H.D. 2.

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

SCRep. 594-94 Finance on H.B. No. 2919

The purpose of this bill is to expand the scope of the Department of Health's pilot program that is intended to examine the long-term feasibility and economic benefit of using volunteers to survey and sample water quality.

This bill proposes to include water systems surrounding Kailua Bay (Kona), Puako Bay and Reef, and Mahiula Bay on the island of Hawaii, as areas where the pilot program will be implemented.

Testimony in support of this measure was submitted by the Sea Grant Extension Service of the University of Hawaii, the Natural Resources Defense Council, the Natural History & Marine Life Study Tours, the Ocean Recreation Council of Hawaii, AECOS Laboratory of Hawaii, Public Access Shoreline Hawaii, West Hawaii Sierra Club Group, and two private citizens.

The Department of Health supported the intent of this measure, but could not recommend funding, given the current fiscal climate of the State.

After free and open discussion, your Committee has amended this bill by:

- (1) Changing the amount to be appropriated to \$1 for purposes of continued discussion; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2919, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2919, H.D. 2.

Signed by all members of the Committee.

SCRep. 595-94 Finance on H.B. No. 2945

The purpose of this bill is to authorize the Department of Budget and Finance to issue up to \$170,000,000 in special purpose revenue bonds on behalf of Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd. to finance multi-project capital improvement programs to furnish electric energy.

Testimony in support of this measure was submitted by the Financial Vice President and Treasurer of Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd.

Your Committee has amended this measure by changing the effective date to July 1, 1994.

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. 2945, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2945, H.D. 2.

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

SCRep. 596-94 Finance on H.B. No. 3055

The purpose of this bill is to extend the University of Hawaii's Tuition Waiver Program for Vietnam veterans to the year 2004.

Testimony in support of this measure was submitted by a Readjustment Counseling Therapist from the Honolulu Vet Center. The Office of Veterans Services and the Advisory Board on Veterans Services both submitted testimony in support of the intent of this bill and also requested that amendments be made. The University of Hawaii submitted comments on this measure.

After free and open discussion, your Committee has amended this bill by:

- (1) Extending the Veterans' Tuition Waiver Program to include veterans of campaigns or expeditions for which a campaign or expedition medal has been authorized; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3055, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3055, H.D. 1.

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

SCRep. 597-94 Finance on H.B. No. 3179

The purpose of this bill is to make the State's recruitment flexibility law permanent by repealing the sunset date of June 30, 1994.

The recruitment flexibility law empowers the Director of Personnel Services to determine, establish, and maintain the manner in which civil service positions will be filled.

Testimony in support of this bill was submitted by the Department of Personnel Services; the Hawaii State Personnel Council; and the Hawaii Government Employees Association. Testimony in support of the bill with suggested amendments was submitted by United Public Workers.

Your Committee has amended this bill by:

- (1) Changing the effective date to June 29, 1994; and
- (2) Making technical, nonsubstantive revisions for the purposes of style, clarity, and conformity.

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. 3179, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3179, H.D. 1.

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

SCRep. 598-94 Finance on H.B. No. 3423

The purpose of this bill is to minimize the temporary adverse impacts that construction of public improvements has on existing businesses within the Kakaako Community Development District.

This bill authorizes the Hawaii Community Development Authority (HCDA) to:

- (1) Schedule construction work on district improvements during off-hours and on weekends; and
- (2) Acquire properties within a community development district to exempt those properties from real property taxes.

The HCDA, the Kakaako Improvement Association, Inc., and a Kakaako landowner testified in support of this bill. The HCDA explained that the property tax exemption provision would work in the following manner:

- (1) The HCDA would obtain a lease on an affected property and then sublease it back to maintain the existing business operation;
- (2) Property taxes would not have to be paid on the property, because, under City ordinance, property leased by the State is exempt from property taxes; and
- (3) The HCDA would pass the benefit to the property owner/tenant during the period in which the property is directly impacted by the construction work.

The HCDA also recommended that the bill be amended to include holidays and to specify that the hours for off-hour work would extend from 5:30 p.m. to 6:00 a.m.

Upon further review, your Committee has:

- (1) Expanded the duration of "off-hour" to "5:30 p.m. and 6:00 a.m.";
- (2) Authorized HCDA to allow holiday work; and
- (3) Made technical, nonsubstantive amendments to correct a technical drafting error, and for purposes of style and clarity.

Your Committee urges the Department of Health to make every effort to work with HCDA to ensure that the noise level during construction will be kept to a minimum.

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. 3423, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3423, H.D. 2.

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

SCRep. 599-94 Finance on H.B. No. 3425

The purpose of this bill is to include a child identified in a Qualified Medical Child Support Order as an eligible dependent for purposes of receiving health benefits from the Hawaii Public Employees Health Fund (Health Fund).

The Health Fund Administrator submitted testimony in favor of the bill.

Your Committee has amended the bill by:

- (1) Removing substantive provisions from the purpose section of the bill specifying the requirements for a Qualified Medical Child Support Order;
- (2) Adding a new section to the bill providing statutory requirements for a Qualified Medical Child Support Order;
- (3) Adding a new definition to Section 87-1, Hawaii Revised Statutes, for Qualified Medical Child Support Order; and
- (4) 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. 3425, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3425, H.D. 1.

Signed by all members of the Committee.

SCRep. 600-94 Finance on H.B. No. 3450

The purpose of this bill is to enhance the Hawaii Community Development Authority's (HCDA) capability to finance public improvements by authorizing the HCDA to develop a Special Improvement Program to identify necessary special improvement public facilities within a community development district.

Among other things, this bill would:

- (1) Authorize the HCDA to issue bonds to finance the public improvements; and
- (2) Require the HCDA to assess the cost of these bonds against the real property in the community development district that would benefit from the public improvements.

The HCDA submitted testimony in strong support of this measure. Small Business Hawaii submitted testimony in opposition to this measure.

Your Committee has amended this bill by 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3450, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3450, H.D. 2.

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

SCRep. 601-94 Finance on H.B. No. 3459

The purpose of this bill is to transfer all employees of the State Health Insurance Program (SHIP) from the Department of Health (DOH) to the Department of Human Services (DHS), as part of the Health QUEST Program.

The DOH testified in strong support of the bill. Your Committee also received testimony in support of the intent of the bill from DHS.

Your Committee has amended the bill by:

- (1) Specifying that officers and employees of SHIP must possess minimum qualifications for the position to which they are transferred or appointed and that their salaries shall be in accordance with Section 77-9, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for 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. 3459, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3459, H.D. 2.

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

SCRep. 602-94 Finance on H.B. No. 3637

The purpose of this bill is to ensure that those employees who are in temporary or limited term positions in Hawaii's Women, Infants, and Children Nutrition Program that are converted to permanent positions do not suffer any loss of salary, benefits, or privileges.

Testimony in support of the bill was submitted by the Department of Health and the United Public Workers.

Upon further consideration, your Committee has amended the bill as follows:

- (1) Clarified that the conditions of the conversion apply to those positions authorized for conversion by Act 289, Session Laws of Hawaii 1993;
- (2) Applied the conditions of the conversion to 72.5 rather than 79.5 full-time equivalent positions;
- (3) Made technical, nonsubstantive revisions for purposes of style and clarity; and
- (4) Clarified that these provisions do not include emergency hires.

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. 3637, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3637, H.D. 1.

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

SCRep. 603-94 Finance on H.B. No. 3676

The purpose of this bill is to assist The Queen's Health Systems and its not-for-profit subsidiaries in providing health care facilities to the general public by authorizing the Department of Budget and Finance to:

- (1) Issue special purpose revenue bonds in an amount up to \$200,000,000 for this purpose; and
- (2) Terminate the authorization of all unexpended amounts for projects authorized by Act 303, Session Laws of Hawaii 1991.

Your Committee has corrected a typographical error on page 1, line 9, by replacing the word "services" with "series".

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. 3676, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3676, H.D. 1.

Signed by all members of the Committee.

SCRep. 604-94 Finance on H.B. No. 2680

The purpose of this bill is to expedite a land exchange involving private lands north of Wahiawa, Oahu, owned by the George Galbraith Estate, and public lands in Kapolei, Oahu.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of State Planning, the Hawaiian Trust Company, and the Wahiawa Community & Business 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. 2680, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 605-94 Finance on H.B. No. 2876

The purpose of this bill is to extend for one year the Department of Land and Natural Resources' authorization to enter into lease agreements pursuant to Act 237, Session Laws of Hawaii 1988, with certain permittees of agricultural land.

Testimony from the revocable permittees of Waimanalo was received in support of the intent of this measure. The Department of Land and Natural Resources testified that it had no objections to the 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. 2876 and recommends that it pass Third Reading.

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

SCRep. 606-94 Finance on H.B. No. 3138

The purposes of this bill are to:

- (1) Require the Child Support Enforcement Agency (Agency) to obtain or enforce a child support order for a child whose support payments would be paid through the Agency;
- (2) Clarify that the purpose of the Agency's parent locator service is to locate absent or custodial parents; and
- (3) Allow the Agency to have access to information.

Testimony from the State Attorney General was received in favor 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. 3138, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 607-94 Finance on H.B. No. 3140

The purpose of this bill is to increase the Hawaii Community Development Authority's bond authorization for improvement districts from \$30,000,000 to \$60,000,000.

The Hawaii Community Development Authority submitted testimony 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. 3140 and recommends that it pass Third Reading.

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

SCRep. 608-94 Finance on H.B. No. 3152

The purposes of this bill are to:

- (1) Expedite the appraisal process; and
- (2) Provide flexibility in the manner by which appraisals of improvements and growing crops and stock are to be performed when homestead leases are surrendered, cancelled, or disposed of following a lessee's death.

The Department of Hawaiian Home Lands 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. 3152 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 609-94 Finance on H.B. No. 3165

The purposes of this bill, among other things, are to:

- (1) Allow patients with coverage under Chapter 431M, Hawaii Revised Statutes (HRS), (Mental Health and Alcohol and Drug Abuse Treatment Insurance Benefits), to exchange each day of in-hospital services for two visits of outpatient services, under certain conditions; and
- (2) Extend the provisions of Chapter 431M, HRS, to July 1, 1998.

Testimony in support of this measure was submitted by the Department of Health, the Hawaii Medical Service Association; the Healthcare Association of Hawaii; the Hawaii Psychological Association, and Kaiser Permanente-Hawaii Region.

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. 3165, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 610-94 Finance on H.B. No. 3171

The purpose of this bill is to

- (1) Reduce from \$10,000 to \$2,000 the maximum penalty for violating the rules of the Department of Land and Natural Resources related to ocean recreation; and
- (2) Provide an exception for violations related to the dumping of petroleum products, hazardous materials, or sewage, for which the maximum penalty remains at \$10,000.

The Department of Land and Natural Resources 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. 3171 and recommends that it pass Third Reading.

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

SCRep. 611-94 Finance on H.B. No. 3304

The purpose of this bill is to:

- (1) Authorize the Department of Commerce and Consumer Affairs to use the Travel Agency Education Fund to pay for outstanding claims and expenses of the Travel Agency Recovery Fund if it becomes exhausted; and
- (1) Require the transfer of any remaining balance in the Travel Agency Education Fund to the Compliance Resolution Fund.

Testimony was received from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs 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. 3304 and recommends that it pass Third Reading.

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

SCRep. 612-94 Finance on H.B. No. 3332

The purpose of this bill is to designate the State Post-Secondary Education Commission as the agency responsible for reviewing post-secondary institutions participating in financial assistance programs of Title IV of the federal Higher Education Act of 1965.

Your Committee received supporting testimony from the State Post-Secondary Education Commission. Testimony was also received from a private citizen.

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. 3332 and recommends that it pass Third Reading.

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

SCRep. 613-94 Finance on H.B. No. 3420

The purpose of this bill is to increase the number of trustees on the Board of Trustees of the Hawaii Public Employees Health Fund from nine to ten by adding a trustee who is a retired member of the Employees' Retirement System.

The Administrator of the Hawaii Public Employees Health Fund submitted testimony on 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. 3420 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 614-94 Finance on H.B. No. 3472

The purpose of this bill is to provide public safety investigations staff with the same Employees' Retirement System (ERS) benefits afforded to high-risk occupations, such as firefighters, police officers, and narcotics enforcement investigators.

Specifically, this bill will require that after June 30, 1994, all public safety investigations staff shall:

- (1) Join the ERS contributory retirement plan; and
- (2) Contribute 12.2 percent of their monthly gross salary to the annuity savings fund.

The Department of Public Safety testified in support of this measure. The ERS also submitted testimony.

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. 3472, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 615-94 Finance on H.B. No. 3742

The purpose of this bill is to extend the Hawaii Young Scholars Program from a two-year pilot program to a five-year pilot program.

The University of Hawaii submitted testimony in support of the intent of this measure. The Department of Education submitted testimony 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. 3742 and recommends that it pass Third Reading.

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

SCRep. 616-94 Finance on H.B. No. 3431

The purpose of this bill is to authorize the Director of Commerce and Consumer Affairs to employ in the Division of Consumer Advocacy technical, professional, and administrative assistants who are exempt from the State's civil service and compensation laws.

The Department of Commerce and Consumer Affairs and the Hawaiian Electric Light Company, Inc., 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. 3431 and recommends that it pass Third Reading.

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

SCRep. 617-94 Judiciary on H.B. No. 2222

The purpose of the bill, as received by your Committee, was to extend the statute of limitations for victims of child sex abuse offenses from the victim's attaining the age of eighteen years of age to the victim's attaining twenty-one years of age.

Your Committee finds that many states have adopted laws extending the statute of limitations for prosecution of child sex abuse offenders because children who are victims of abuse may not come forward immediately to report the assault, often times because they remain under the control of the abuser, they have been threatened to keep silent, or they are simply too traumatized by such abuse.

Your Committee believes that the best approach to resolving the statute of limitations problem is to "toll" the statute during the period of minority, as is done in civil cases.

This bill has therefore been amended by eliminating the proposed changes to subsection (3) of §701-108 and instead amending subsection (6) to stipulate that the statute of limitations does not run as to any offenses under Chapter 707, part V or VI, during any time when the victim is alive and under eighteen years of age.

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. 2222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2222, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hirono, Oshiro, Peters, Takamine and White.

SCRep. 618-94 Judiciary on H.B. No. 2289

The purposes of this bill are to:

- (1) Specify that transparent suncreening materials along the top edge of the windshield should be measured for purposes of determining compliance with federal and state regulations from the manufacturer's top center clear portion of the windshield if no AS-1 markings can be found; and
- (2) Exempt limousines subject to regulation by the Public Utilities Commission (PUC) from certain motor vehicle sunscreening regulations if the limousines are equipped with rearview mirrors on both sides.

The Department of Transportation, the Hawaii Transportation Association, and Travel Plaza Transportation, Inc. submitted testimony in support of the bill.

Your Committee finds that allowing limousines regulated by the PUC an exemption from certain suncreening requirements meets the privacy needs of limousine clients and does not have an adverse impact on safety.

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. 2289, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 619-94 Judiciary on H.B. No. 3073

The purpose of this bill is to clarify that the law abolishing interspousal tort immunity (Act 70, Session Laws of Hawaii 1993) applies to all suits commencing on and after its effective date of April 26, 1993.

Your Committee received testimony in favor of this bill from the Hawaii Academy of Plaintiff's Attorneys. Testimony in opposition to the bill was submitted by the Insurers Council.

Interspousal tort immunity was abolished by the 1993 Legislature as an outmoded concept that unfairly penalizes people, especially women, who have a legitimate legal complaint against their spouse. Your Committee believes this bill only clarifies legislative intent, and therefore defers to the wishes of the 1993 Legislature.

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. 3073 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 Bunda, Herkes, Hirono, Peters and Takamine.

SCRep. 620-94 Judiciary on H.B. No. 3195

The purposes of this bill are to:

- (1) Increase the time limitation provided to the Department of Transportation for holding an administrative hearing on the impoundment of a vessel after receiving a written request from the owner or operator from a seventy-two hour period to a five-day period; and
- (2) Specify that the five-day period does not include Saturdays, Sundays, or holidays designated by law.

The Department of Transportation submitted testimony in support of this bill, noting that the current seventy-two hour period that the law provides does not give the Department enough time in which to prepare for an administrative hearing on impoundment. Furthermore, the current law does not specify that non-working days are to be excluded from the time period in which the Department must hold the hearing.

Your Committee agrees that a five-day period, excluding non-working days, is a reasonable time in which to hold a hearing on impoundment, and that the additional time will not place an undue burden on owners or operators contesting the impoundment.

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. 3195 and recommends that it pass Third Reading.

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

SCRep. 621-94 Judiciary on H.B. No. 2177

The purpose of this bill is to require that monofilament gill nets be made from stretched mesh of not less than two- and three-fourths inches after December 31, 1996.

The Department of Land and Natural Resources (DLNR) submitted testimony in support of this measure with one suggested amendment, noting that increasing the size of gill net mesh would permit younger fish to escape the net, and grow to maturity. In this way, commercial fishers can promote the continuing viability of the fishing stock.

A private citizen also submitted testimony in support of the bill, with a suggestion that the Committee consider increasing the size of the mesh even further, and also address the issue of overall gill net length.

Your Committee finds that this bill will promote the conservation of Hawaii's fish resources, and ensure a good harvest of fish in years to come. In accordance with a recommendation from the DLNR, your Committee has amended the bill by:

- (1) Clarifying that the gill nets referred to are stationary, monofilament gill nets; and
- (2) Making technical, nonsubstantive amendments to correct technical drafting errors.

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. 2177, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2177, H.D. 2.

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

SCRep. 622-94 Judiciary on H.B. No. 2231

The purpose of this bill is to allow the examiner of drivers to waive the motorcycle driver licensing demonstration requirement for any person who has completed a motorcycle education course approved by the State Director of Transportation.

Testimony in support of this bill was received from the State Department of Transportation, the Department of Finance of the City and County of Honolulu, the Hawaii Motorcycle Dealer's Association, Team Hawaii Motorcycle Road Racing, and several concerned citizens.

Your Committee finds that the motorcycle education course available in certain areas of the State consists of both classroom and operator's skills training, and that applicants for a motorcycle driver's license who have successfully completed the course do not experience any problems with the performance test of the examiner of drivers.

Your Committee believes that the Department of Transportation should adopt standards and criteria for motorcycle education courses which are approved by the Department, to assure the consistency and quality of the courses.

Your Committee has amended this bill by:

- (1) Amending Section 1 to require the State Director of Transportation to adopt rules in accordance with Chapter 91, Hawaii Revised Statutes (HRS), establishing standards and criteria of motorcycle education courses which are approved by the Department of Transportation pursuant to Section 286-108, HRS.
- (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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2231, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2231, H.D. 2.

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

SCRep. 623-94 Judiciary on H.B. No. 2285

The purpose of this bill is to prohibit the manufacture, sale, or distribution of number plates, tags, or emblems of a similar design as the currently issued series.

Testimony in support of this bill was received from the Department of Finance of the City and County of Honolulu and the Honolulu Police Department.

Your Committee has made technical, nonsubstantive amendments to this bill.

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. 2285, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2285, H.D. 2.

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

SCRep. 624-94 Judiciary on H.B. No. 3725

The purpose of this bill is to amend sections in Chapter 286 to specifically permit a police officer who has reasonable grounds to believe that a driver of any vehicle was under the influence of alcohol or drugs and involved in a traffic collision resulting in injury to or the death of any person, to order the driver to submit to a test or tests to determine the alcohol content or the presence of drugs in the driver's blood. The bill requires the police officer to make a written request for the taking of blood specimens for the testing for drugs or alcohol and provides that a driver's refusal to comply with the request to take the blood specimen shall result in the issuance of a notice of administrative revocation. Hospital personnel who refuse to draw blood upon the written request of a police officer will be penalized under this law.

Testimony in support of this bill was received from the State Department of Transportation, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and the Hawaii Chapter of the American College of Emergency Physicians.

Your Committee agrees with the Honolulu Police Department that "reasonable grounds" should be amended to "reasonable suspicion". Your Committee finds that "reasonable suspicion" is a term which has been defined in case law and which the law enforcement community is familiar with and understands. Your Committee has therefore amended the bill by changing the term "reasonable grounds" to "reasonable suspicion."

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. 3725, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3725, H.D. 2.

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

SCRep. 625-94

Finance on H.B. No. 2275

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii to require that a Commission on Government Organization and Efficiency convene in 2004, and every tenth year thereafter. The Commission shall:

- (1) Conduct a comprehensive review of state government operations; and
- (2) Make recommendations on administrative and legislative actions that will improve the efficiency and cost-effectiveness of government operations.

An individual, acting in both capacities of Administrative Director of the Office of the Governor and Chair of the Interim Commission on Government Redesign, testified in favor 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. 2275 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Santiago.

SCRep. 626-94

Finance on H.B. No. 2515

The purpose of this bill is to permit water safety officers to elect to become class C, or noncontributory, members of the State Employees' Retirement System (ERS).

A councilmember of the City and County of Honolulu, the Hawaii Government Employees Association, the Department of Parks and Recreation of the City and County of Honolulu, and a water safety officer testified in support of the bill. The ERS also submitted testimony on 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. 2515, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 627-94

Finance on H.B. No. 2690

The purpose of this bill is to allow the Board of Agriculture to set the upset price or lease rent for lands and facilities related to agricultural parks, based upon an appraised valuation of the property adjusted to the specific agricultural use of the lot.

The Department of Agriculture, the East Oahu County Farm Bureau, the manager of Koba's Nursery and Nalo Nursery, Inc., Frankie's Nursery, and concerned citizens submitted testimony 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. 2690, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 628-94 Finance on H.B. No. 3461

The purpose of this bill is to transfer the functions and authority exercised by the Director of Health relating to the provision of mental health services to inmates to the Department of Public Safety.

The Department of Health and the Department of Public Safety submitted testimony 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. 3461, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 629-94 Finance on H.B. No. 3464

The purpose of this bill is to expand the size of the Correctional Industries Advisory Committee from seven to nine members.

The Department of Public Safety 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. 3464, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 630-94 Finance on H.B. No. 3468

The purpose of this bill is to provide the Department of Public Safety with a means of generating resources for inmate programs.

Specifically, this bill:

- (1) Establishes the Correctional Program Revolving Fund (Fund) to offset the cost of providing programs for inmates;
- (2) Authorizes the Director of Public Safety (Director) to charge reasonable fees for persons participating in a correctional program, and provides the Director the discretionary authority to waive or reduce the fee if the Director finds that the participant is unable to pay the entire fee; and
- (3) Clarifies that all fees collected shall be deposited into the Fund.

The Department of Public Safety submitted testimony 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. 3468, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 631-94 Finance on H.B. No. 3473

The purpose of this bill is to appropriate funds to compensate victims of criminal injury who have been awarded compensation by the Criminal Injuries Compensation Commission.

Testimony was received from the State of Hawaii Criminal Injuries Compensation Commission 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. 3473, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 632-94 Finance on H.B. No. 2965

The purpose of this bill is to increase the number of members of the Review Commission on the State Water Code (Commission) from seven members to nine members.

Testimony in support of the intent of the bill was received from the Commission.

Upon consideration, your Committee has amended the bill by:

- (1) Requiring that at least two members be residents of the counties of Hawaii, Kauai, or Maui;
- (2) Clarifying that the appropriation is for the 1994-1995 fiscal year;
- (3) Changing the effective date of the bill to July 1, 1994, to reflect the appropriation provided for in the bill; and
- (4) Making a technical, nonsubstantive amendment for 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. 2965, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2965, H.D. 1.

Signed by all members of the Committee.

SCRep. 633-94 Finance on H.B. No. 3133

The purpose of this bill is to appropriate \$2,611,908.17 to satisfy twenty-nine claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

The Attorney General testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting an additional claim (*Vea Lynn Green v. State of Hawaii*) that has recently been settled totalling \$125,000; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As amended, this bill appropriates a total of \$2,736,908.17.

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. 3133, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3133, H.D. 2.

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

SCRep. 634-94 Finance on H.B. No. 3134

The purposes of this bill are to:

- (1) Authorize the Hawaii Criminal Justice Data Center (HCJDC) and other state and county criminal justice agencies acting on HCJDC's behalf to charge fees for services related to criminal history record information; and
- (2) Establish a revolving fund in which to deposit the fees assessed, to be used to improve the criminal history record information system.

The State Attorney General submitted testimony in support of this measure. The Department of Education submitted testimony in support of the general concept of improving the criminal history system.

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

- (1) Deleting language that exempted nonprofit child care facilities from paying fees for criminal history record checks; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, 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. 3134, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3134, H.D. 2.

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

SCRep. 635-94 Finance on H.B. No. 3164

The purpose of this bill is to authorize the Director of Health to create advisory committees to advise health care workers infected with human immunodeficiency virus (HIV), hepatitis B virus (HBV), or other blood-borne infections on the risks of blood-borne disease transmission through exposure-prone invasive procedures.

Testimony in support of the bill was submitted by the Department of Health, the Governor's Committee on HIV/AIDS, the Hawaii Medical Association, the Hawaii Nurses' Association, and the Big Island AIDS Project.

Upon further consideration, your Committee has amended the bill as follows:

- (1) Conditioned the mandate of the Department of Health to provide oversight and staff support to the advisory committees on the availability of resources;
- (2) Clarified that the confidentiality of the advisory committees includes exemption from the Uniform Information Practices Act and Section 325-101, Hawaii Revised Statutes, which permits the release of records of persons with HIV in certain cases; and
- (3) Made technical, nonsubstantive revisions 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. 3164, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3164, H.D. 2.

Signed by all members of the Committee.

SCRep. 636-94 Finance on H.B. No. 3433

The purposes of this bill are to:

- (1) Approve the first two advisory opinions issued by the Hawaiian Home Lands Trust Individual Claims Review Panel (review panel) on claims of individual beneficiaries for breaches of the Hawaiian Home Lands Trust resulting from acts or omissions of state employees in the management and disposition of trust resources; and
- (2) Provide compensation for actual damages to certain claimants.

The review panel and one of the claimants testified in support of this bill.

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. 3433, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3433, H.D. 2.

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

SCRep. 637-94 Finance on H.B. No. 3442

The purpose of this bill is to make an emergency funding to prevent the reduction or discontinuance of Hamakua Medical Centers's services.

Your Committee has received a message from the Governor, dated February 4, 1994:

- (1) Stating that additional funding is needed to cover costs of patients who no longer receive health insurance through Hamakua Sugar Company because of the company's bankruptcy proceedings; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure payment for services.

The Department of Health, a Hawaii County Councilmember, the Hamakua District Development Council, the Hawaii State Primary Care Association, the International Longshoremen's and Warehousemen's Union (ILWU) Local 142, the Chair of the ILWU bargaining unit at Hamakua Sugar Company, the Administrator of the Hamakua Health Center, the President and a member of the Board of the Hamakua Health Center, the President of Paaupau Community Association, and many individuals, including employees and volunteers at the Hamakua Medical Center testified in support of this measure.

Your Committee has amended this bill by:

- (1) Inserting an appropriation amount of \$140,000;
- (2) Deleting the expenditure ceiling declaration since the funds requested in the bill will not cause the state general fund ceiling for fiscal year 1993-1994 to be exceeded;
- (3) Deleting the reimbursement requirement; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and conformity.

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. 3442, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3442, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 638-94 Finance on H.B. No. 3484

The purposes of this bill are to:

- (1) Ensure the availability of funds in the Contractors Recovery Fund, from which persons injured by licensed contractors may recover damages, by authorizing the board to assess every contractor a fee not to exceed \$500 annually; and
- (2) Require each applicant for a contractors license to deposit to the Contractors Education Fund an amount to be determined by the Director of Commerce and Consumer Affairs.

The Contractors License Board submitted testimony in support of the bill.

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. 3484, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3484, H.D. 2.

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

SCRep. 639-94 Finance on H.B. No. 3513

The purpose of this bill is to allow the State Auditor (Auditor) to concentrate its limited resources on activities that would be most consistent with its primary mission of auditing all state agencies.

More specifically, this bill:

- (1) Modifies the "sunset" evaluation process by:
 - (A) Repealing the existing schedule for repealing regulatory programs;
 - (B) Requiring any new regulatory program to be repealed at the end of the third full calendar year following the program's enactment; and
 - (C) Requiring the Auditor to evaluate the new programs prior to each program's repeal date;
- (2) Clarifies that the Auditor, in conducting postaudits, to the extent practicable and applicable to the audit scope and objectives, review and assess the audited agency's rules;
- (3) Repeals the requirement that the Auditor maintain and keep current a compilation of all rules adopted pursuant to Chapter 91, Hawaii Revised Statutes;
- (4) Requires each state agency to maintain a file of its rules in the Ramseyer format and make the file available for public inspection and copying at a reasonable cost;
- (5) Clarifies that the Auditor not be required to automatically evaluate any board, commission, or regulatory program; provided that this does not prevent the Auditor from conducting an evaluation of a board, commission, or regulatory program at the specific request or direction of the Legislature;
- (6) Repeals the requirement that the Auditor determines whether each rule and rule amendment submitted by an agency is within the substantive authority under which the rule was adopted; and
- (7) Repeals the law that provided for the reenactment of regulatory programs repealed in accordance with the "sunset" evaluation process.

Testimony in support of this measure was submitted by the State Auditor and the Department of Commerce and Consumer Affairs.

Technical, nonsubstantive amendments have been made 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. 3513, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3513, H.D. 3.

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

SCRep. 640-94 Finance on H.B. No. 3739

The purpose of this bill is to exempt the development of educational facilities from state and county zoning and building requirements for five years, subject to certain provisions.

Your Committee received supporting testimony from the Department of Education and the Council Chair of the County of Maui. In its testimony, the Office of State Planning indicated that it supports the legislative findings of the bill.

Your Committee has amended the bill by making technical, nonsubstantive amendments for purposes of clarification, 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. 3739, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3739, H.D. 3.

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

SCRep. 641-94 Health on H.B. No. 3406

The purpose of this bill is to change the names of Hilo and Kona Hospitals to Hilo Medical Center and Kona Community Hospital, respectively.

Testimony in support of this bill was received from the Department of Health which stated that these name changes would better reflect the services provided at the hospitals.

It was understood by your Committee that Hilo Hospital provides a great deal of services and that a name change would more accurately reflect these services.

Also, it was felt that changing the name of Kona Hospital to Kona Community Hospital would create a sense of pride in and support for the hospital from the citizens of West Hawaii.

Accordingly, it was decided by your Committee that this bill should be passed and given due consideration for the good of the people of Kona and Hilo.

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 H.B. No. 3406 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 Duldulao, Arakaki and Tanimoto.

SCRep. 642-94 Consumer Protection and Commerce on H.B. No. 3308

The purpose of this bill is to clarify laws pertaining to the use of the titles, "Doctor", "Dr.", or "D.Ac." in the practice of acupuncture.

More specifically, this bill:

- (1) Allows acupuncture licensees who have completed a program approved by the Board of Acupuncture (Board) in the study or practice of acupuncture and have met the Board's standards to use the doctoral title; and
- (2) Clarifies that the term "Acupuncturist" be used immediately following the licensee's name if the designation "Doctor" or the prefix "Dr." is used alone.

Supportive testimony was submitted by the Board.

By way of background, Section 436E-13, Hawaii Revised Statutes, provides two conditions under which an acupuncture licensee may use the title "Doctor", "Dr.", or "D.Ac.":

- (1) If the licensee has earned a doctoral degree from an accredited university or college, where accreditation was granted by an entity recognized by the United States Department of Education; or
- (2) If the licensee has earned a doctoral degree from a university or college approved by the Board of Acupuncture.

The statute also provides that the term "Acupuncturist" be used whenever one of the titles "Doctor", "Dr.", or "D.Ac." is used by an acupuncture licensee.

According to the Board representative, acupuncture licensees will be unable to satisfy the first condition because the accrediting body recognized by the United States Department of Education will not be accrediting schools awarding doctoral degrees in acupuncture for another two years.

The current statute also places the onus on the Board to review the university or college for approval in a manner similar to a school accrediting body or the United States Department of Education. Because the Board is not qualified to accredit scholastic institutions, the Board has not been able to approve the applications of licensees who have requested the use of the doctoral title in practice.

In light of this, your Committee believes that this bill remedies this situation by providing the Board with the means to allow acupuncture licensees with advanced education to use the academic designations which they have earned.

The Board representative added that the existing statute, as worded, also requires that the term "Acupuncturist" must follow the title "D.Ac." when used by a licensee. However, the title "D.Ac.", is the abbreviation of "Doctor" or "Dr." of Acupuncture. Because of this, your Committee acknowledges that this requirement is repetitious and unnecessary.

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. 3308 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 643-94 Judiciary on H.B. No. 2729

The purpose of the bill is to provide health care professionals who administer pain therapy with protection from administrative, civil, or criminal liability when properly administering pain-reducing drugs to persons who are terminally-ill with cancer or acquired immune deficiency syndrome (AIDS).

Testimony in support of the measure was received by your Committee from a representative of Hawaii Right to Life and a physician in private practice.

Your Committee finds, as is stated in the purpose clause of the bill, that although modern medicine has progressed to the degree that pain therapy for terminal diseases such as cancer or AIDS can relieve patients of much of their suffering, twenty-five percent of persons with cancer die with severe, unrelieved pain.

Your Committee finds that one factor which has tended to block effective pain relief is the fear of physicians that aggressive, yet appropriate, pain management therapy in these cases will subject them to possible civil, criminal, or regulatory sanctions.

Your Committee believes that it is important to relieve that fear so that help and relief can be given to those so desperately in need.

Fortunately, the United States Department of Health and Human Services has recently finished drafting its guidelines for pain management, which will serve as a guideline for appropriate medical care in this field.

Your Committee has amended the measure in Section 2 by clarifying that the professional offered protection must be licensed to administer or prescribe all classes of legal pharmaceutical drugs and by inserting into that section additional language to confirm that the intent in prescribing and administering the drugs must be to relieve pain or discomfort and not to cause death.

Lastly, technical, nonsubstantive amendments were 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 H.B. No. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2729, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 644-94 Judiciary on H.B. No. 3145

The purpose of this bill is to amend Chapter 201E by adding a new section allowing current owners of a studio and a one-bedroom multi-family dwelling unit in Housing Finance and Development Corporation (HFDC) projects to apply for larger units in other HFDC projects.

Testimony in support of this bill was received from HFDC and the Kokua Council for Senior Citizens.

Your Committee finds that this bill will provide younger families an opportunity to purchase larger homes through HFDC as their family size increases.

Your Committee has amended this bill by:

- (1) Providing that a current owner of a multi-family dwelling unit, rather than a person who has previously purchased a studio or a one-bedroom multi-family dwelling unit, is eligible to purchase a larger unit. Your Committee believes that this clarifies and tightens up the language as to who qualifies to purchase a larger unit under this bill;
- (2) Requiring an applicant to sell the applicant's current dwelling unit back to HFDC. Your Committee finds that this amendment provides HFDC with an opportunity to continually recycle "starter homes" to the citizens of this State; and
- (3) Making other technical, nonsubstantive 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. 3145, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3145, H.D. 1.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 645-94 Judiciary on H.B. No. 3470

The purpose of this bill is to streamline the procedure for the return to custody when a pretrial inmate, released pursuant to Act 305 of the Session Laws of Hawaii 1993, is alleged to have committed a violation of the conditional release order. The bill permits the Director of Public Safety or his designee to issue an order for the released inmate's arrest and return to custody.

Testimony in support of the measure was received by your Committee from a representative of the Department of Public Safety. A representative of the Office of the Public Defender suggested amendments to insure that the due process rights of the inmate are preserved.

Your Committee finds that the present procedure for securing the return of an inmate who is alleged to have violated the terms of his release is cumbersome, time consuming, and delays the prompt reincarceration of the inmate.

The proposal under this measure would significantly enhance public safety and promote the prompt disposition of the allegations against the inmate.

Because due process rights are not clearly spelled out in the bill, your Committee has amended the measure by providing that:

- (1) The Intake Service Center worker initiates the process with an application or petition alleging the specific term or condition which is alleged to have been violated;
- (2) The director or his designee can then order an arrest and temporary return to custody;
- (3) The arrest order is to set forth the specific term or condition which was alleged to be violated;
- (4) Upon arrest, the inmate is given notice of a right to an administrative hearing and notice of the inmate's right to counsel; and
- (5) A hearing shall be scheduled promptly following the arrest.

In addition, technical, nonsubstantive amendments were made for the purpose 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. 3470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3470, 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.
(Representative Herkes voted no.)

SCRep. 646-94 Consumer Protection and Commerce on H.B. No. 3306

The purpose of this bill is to clarify the licensure requirements of detective agencies, guard agencies, private detectives, and guards under Chapter 463, Hawaii Revised Statutes (HRS).

More specifically, this bill:

- (1) Expands the definitions of "detective agency" and "guard agency" to include licensed firms, joint ventures, and sole proprietorships;
- (2) Defines the following terms:
 - (A) "Principal detective" to mean a licensed detective designated as the primary licensee who is fully responsible for the direct management and control of a detective agency;
 - (B) "Principal guard" to mean a licensed guard designated as the primary licensee who is fully responsible for the direct management and control of a guard agency;
- (3) Requires the principal detective and the principal guard be residents of the State;
- (4) Requires sole proprietorship applicants for guard agency licenses and detective agency licenses to employ residents of the State;
- (5) Requires individuals to register with the Board of Private Detectives and Guards (Board) upon employment with either a guard agency or a detective agency;

- (6) Prohibits firms, joint ventures, sole proprietorships, corporations, partnerships, or associations from engaging in guard business without first obtaining a guard agency license from the Board, and paying the application and license fees; and
- (7) Makes numerous housekeeping amendments for the purposes of conforming the licensure requirements of guards and guard agencies, with detectives and detective agencies, respectively.

Supportive testimony was submitted by the Board.

Your Committee believes that this bill is necessary to ensure clarity and to allow the Board to adopt rules that apply uniformly to the various categories of licensees regulated under Chapter 463, HRS.

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

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. 3306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3306, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 647-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3313

The purpose of this bill is to repeal Part VIII of Chapter 445, Hawaii Revised Statutes (HRS), and Chapter 468, HRS. This bill also places the prohibition on telephone solicitation in Chapter 481A, HRS, the Uniform Deceptive Trade Practice Act, to ensure maximum awareness of the prohibition on the use of automatic announcing or automatic dial-announcing devices on the public telephone network to initiate solicitation telephone calls.

Your Committees received testimony in support of this bill from the Department of Commerce and Consumer Affairs and GTE Hawaiian Telephone.

Your Committees have made a technical, nonsubstantive amendment for 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. 3313, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3313, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hirono, Menor, Oshiro, Peters and Thielen.

SCRep. 648-94 Transportation on H.B. No. 2181

The purpose of this bill is to increase the maximum overall length of a motor vehicle from 40 feet to 45 feet.

Your Committee finds that with current technology and motor vehicle design, the standard length of 40 feet for buses and other large vehicles has been increased to 45 feet. Your Committee also finds that increasing the acceptable motor vehicle length will not reduce roadway safety. In addition, your Committee finds that county transit authorities will be able to reduce operating costs by purchasing vehicles with greater passenger capacity.

Your Committee received testimony from the Department of Transportation, the City and County of Honolulu Public Transit Authority, and the Hawaii Transportation Association.

Your Committee has amended this bill by making technical and non-substantive changes for the purpose of style and clarity.

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 H.B. No. 2181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2181, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 649-94 Transportation on H.B. No. 2327

The purpose of this bill is to authorize the disposal of license plates of stored vehicles whose registrations have expired.

Your Committee finds that the counties are being overburdened with expired license plates from vehicles that have been placed in storage. Most stored vehicles are removed from storage before their license plates expire. But for those owners whose license plates do expire, they often purchase new plates instead of requesting that the previous license plates be returned to them. Your Committee finds that to alleviate the counties' storage problems and free much needed storage space, the County Director of Finance should be granted the right to dispose of expired vehicle license plates.

Your Committee received testimony from the City and County of Honolulu Department of Finance.

Your Committee has amended this bill by retaining the mandate that the owner of a stored vehicle with expired license plates must purchase new plates and a new emblem upon removing the vehicle from storage.

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 H.B. No. 2327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2327, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 650-94 Public Safety and Corrections and Judiciary on H.B. No. 3477

The purpose of this bill is to provide the Department of Public Safety with greater flexibility in the disposition of inmates.

More specifically, this bill would:

- (1) Clarify that the Director of Public Safety (Director) may transfer an inmate to an institution located in another state, regardless of whether the state is a member of the Western Interstate Corrections Compact; and
- (2) Provide that an interstate transfer of an inmate is authorized if, among other things, the institution to which the inmate is transferred is in compliance with the standards of the American Correctional Association, and operated either by that state or by a private institution.

Supportive testimony was submitted by the Department of Public Safety (DPS). Comments from the Office of the Public Defender (Public Defender) were also submitted.

The Director testified that this bill would provide DPS with the ability to develop creative ways of handling offenders with present resources.

However, the Public Defender raised concerns that inmates with a local support system would be transferred to other states against their will.

An enormous factor in an inmate's rehabilitation is the inmate's ability to receive visits or phone calls from friends and relatives. It appears that visits or phone calls to an inmate would be greatly reduced, if not eliminated, if an inmate with a local support system is transferred to a mainland correctional center.

The Public Defender also testified that DPS is currently in the process of promulgating guidelines for the interstate transfer of inmates.

It is the intent of your Committees that any inmate having a strong, nurturing support system in Hawaii that contributes to the inmate's rehabilitation shall not be considered for interstate transfer.

In light of this, your Committees have amended this bill as follows:

- (1) Clarified that the interstate transfer of inmates be in accordance with rules adopted by the Director pursuant to Chapter 91; and
- (2) Made technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

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 H.B. No. 3477, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3477, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Amaral, Chun, Hirono, Oshiro, Peters and Takamine.

SCRep. 651-94 Consumer Protection and Commerce and Judiciary on H.B. No. 2944

The purpose of this bill is to clarify laws pertaining to the regulation of real estate brokers and real estate salespersons by making various "housekeeping" amendments to Chapter 467, Hawaii Revised Statutes (HRS).

The Real Estate Commission (Commission), submitted testimony in support of this bill, indicating the following:

- (1) Use of the term "individual" in place of "person" to distinguish it from copartnerships and corporations is consistent with legislative intent and an opinion from the Department of the Attorney General;
- (2) The addition of the phrases "registrations and certificates" and "fine and terminate" reflects the Commission's existing authority;

- (3) Amendments to Section 467-4, HRS, clarify the Commission's existing reporting requirements on programs and financial information about trust funds;
- (4) Requiring "record of competency" for applicants is consistent with the Commission's existing authority under Chapter 436B, HRS;
- (5) Requiring an applicant whose previous license was revoked or terminated to comply with the Commission's final order for revocation or termination before being considered for a new license is consistent with existing Commission authority;
- (6) Requiring individuals whose license was terminated to wait five years before becoming eligible for a new license is consistent with requirements for individuals whose licenses were revoked;
- (7) Amendments to Section 467-20 clarify the "false statement" issue; and
- (8) Amendments to Section 467-30 clarify the regulation of condominium hotel operators and provide for consistency with real estate broker provisions.

After careful review of this measure, your Committees agree that this bill would clarify the Commission's statutory authority to regulate real estate brokers and salespersons. However, your Committees have amended this bill by making technical, nonsubstantive revisions for the purpose of clarity, style, and conformity.

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. 2944, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2944, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hirono, Menor, Oshiro, Peters and Thielen.

SCRep. 652-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3149

The purpose of this bill is to clarify laws pertaining to the regulation of financial institutions by making various housekeeping revisions to Chapter 412, Hawaii Revised Statutes (HRS).

More specifically, this bill:

- (1) Provides a procedural framework by which nondepository financial services loan companies may voluntarily cease licensed activity;
- (2) Exempts the following from Section 412:6-303, HRS, which prohibits savings banks from permitting any person to become indebted or liable to the savings bank on loans and extensions of credit in a total amount outstanding in excess of twenty percent of the capital and surplus of the savings bank:
 - (A) Deposits with a Federal Reserve Bank, Federal Home Loan Bank, or another depository institution made in compliance with Chapter 412, HRS; and
 - (B) Sales of federal funds to another depository institution with a maturity of one business day or under a continuing contract;

and
- (3) Making numerous technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Supportive testimony was submitted by the Commissioner of Financial Institutions (Commissioner) of the Department of Commerce and Consumer Affairs.

By way of background, in 1993, the Legislature enacted Act 350 (Recodification) to recodify State law pertaining to the regulation of financial institutions. The Recodification culminated three years of exhaustive work by the Commissioner and representatives of Hawaii's financial institutions to modernize State banking regulatory laws, and conform Hawaii law with national practices and standards.

The Commissioner testified that this bill is an administration measure to make technical corrections to Act 350, including enacting provisions that were inadvertently omitted.

After careful review of this measure, your Committees agree that this bill would clarify laws pertaining to financial institutions. However, your Committees have amended this bill by making additional technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

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. 3149, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3149, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hirono, Menor, Oshiro, Peters and Thielen.

SCRep. 653-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3267

The purpose of this bill is to clarify when an insurer may cancel or refuse to renew a no-fault policy, including required optional additional insurance. The bill allows up to two violations of Chapters 291 or 291C, Hawaii Revised Statutes (HRS), within the twelve-month period preceding the date of application, before an insurer may cancel or refuse to renew a no-fault policy. The bill also precludes length of residence as a criteria an insurer may use in refusing to continue a no-fault policy.

Testimony was received by the American Association of Retired Persons in support of this measure. They felt this measure provided greater protection to the consumer by strengthening language to prevent discrimination. The measure also allows for a written reason for refusal be given by the insurer if requested by the insured.

Testimony in opposition to this bill was received from the State Insurance Commissioner and State Farm Insurance Company, commenting that if a license was revoked there would be no need for insurance, and a repeal of the "take all comers" language of Section 431:10C-110, HRS, was enacted last legislative session.

Your Committees have amended this bill by making technical, non-substantive amendments for the purpose 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. 3267, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3267, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hirono, Menor, Oshiro, Peters and Thielen.

SCRep. 654-94 Consumer Protection and Commerce on H.B. No. 1712

The purpose of this bill is to expand the continuing education requirements for electrician licensees.

More specifically, this bill:

- (1) Requires all journeyworker electricians, journeyworker industrial electricians, journeyworker specialty electricians, and supervising electricians to complete continuing education requirements, as prescribed by the Board of Electricians and Plumbers (Board), prior to license renewal;
- (2) Provides that licenses for journeyworker electricians, journeyworker specialty electricians, supervising electricians, and supervising specialty electricians be renewed on a triennial basis; and
- (3) Clarifies that the triennial renewal fee for electricians be paid to the Board before September 1 of every third year.

Supportive testimony was submitted by the International Brotherhood of Electrical Workers, Local Union No. 1186; the Electrical Contractor's Association of Hawaii; and concerned electrical contractors doing business in Hawaii.

Comments were also submitted by the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA), and the Board of Electricians and Plumbers.

The representative testifying on behalf of the DCCA raised a concern that the Honolulu Community College has developed a course on "Updates to the National Electrical Code", but that presently, it is unknown whether the same arrangements have been acquired at community colleges on all other islands to ensure that licensees would have the opportunity to fulfill the continuing education requirements proposed in this bill.

In light of this, your Committee finds that the lack of available or accessible continuing education courses could conceivably hamper the licensee's ability to renew their license, and reduce the availability of qualified, licensed electricians to the consuming public.

Upon careful consideration, your Committee believes that there is a need to devise a method of expanding the continuing education requirements of licensees in a manner that will ensure that educational opportunities will be available to all licensees without increasing the State's share of administrative costs.

It is the intent of your Committee that the Board work in conjunction with the University of Hawaii's community college system to ensure that continued education courses be made available to electrician licensees throughout the State by the effective date of this bill.

Accordingly, your Committee has amended this bill as follows:

- (1) Amending Section 1 to include all "supervising electricians" and "supervising industrial electricians" to pass an examination prescribed by the Board on updates to the National Electrical Code prior to license renewal;

- (2) Amending Section 1 to allow the Board to contract with a professional testing agency to prepare, administer, and grade the licensure examination, and clarify that the examination fees be paid by the licensee directly to the professional testing agency;
- (3) Amending Section 3 to require that all electrician licenses be renewed on a triennial basis effective with the July 1, 1996, renewal;
- (4) Amending Section 3 to require license renewal applicants to pay all required fees, and pass the licensure examination prior to the renewal of the license;
- (5) Amending Section 5 to stipulate that this bill take effect on July 1, 1995; and
- (6) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

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. 1712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1712, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 655-94 Consumer Protection and Commerce on H.B. No. 2462

The purpose of this bill is to amend Hawaii's reinsurance laws to permit a domestic ceding insurer to credit on its financial statements, as an asset or deduction from liability, risks ceded to a group of incorporated underwriters in addition to a group of individual unincorporated underwriters.

Your Committee heard testimony from the State Insurance Commissioner and Underwriters at Lloyd's, London (Lloyd's) in support of this bill. The Insurance Commissioner stated that the Insurance Division supported this bill as it adopts language which has been approved by the National Association of Insurance Commissioners (NAIC), and reflects the need to increase the reinsurance market capacity faced by Lloyd's by admitting not only natural persons called "Names" to trade for their account, but also "Corporate Names" into the Society of Underwriters. Lloyd's testified that this bill does not change any of the solvency requirements that it is required to meet in order to be an accredited reinsurer in the State nor will it change the scope of business which it may write in Hawaii.

No testimony was received in opposition to this measure.

Your Committee on Consumer Protection and Commerce has amended H.B. 2462 to conform with language approved by the NAIC.

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. 2462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2462, 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. 656-94 Consumer Protection and Commerce on H.B. No. 2873

The purposes of this bill are to:

- (1) Add definitions of "fixed-term lease," "periodic tenancy," and "unfit for occupancy" to Section 209-1, Hawaii Revised Statutes (HRS); and
- (2) Limit the situations in which a landlord may terminate any tenancy for a residential dwelling unit, pursuant to Section 209-9, HRS.

Your Committee heard testimony in support of this bill from the Hawaii Association of Realtors and Na Pali Properties, Inc.

The Department of Commerce and Consumer Affairs testified in support of this bill, but opposed the addition of definitions which are superfluous under current law.

Based upon the testimony presented, your Committee has amended this bill by:

- (1) Deleting the definitions for "fixed-term lease" and "periodic tenancy";
- (2) Deleting the reference to "breach of a material term" in Section 2 of this bill; and
- (3) Making other 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. 2873, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2873, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 657-94 Consumer Protection and Commerce on H.B. No. 3297

The purpose of this bill is to provide the Department of Labor and Industrial Relations (DLIR) with regulatory authority over elevator mechanics licensed by the Department of Commerce and Consumer Affairs (DCCA).

More specifically, this bill amends Chapter 397, Hawaii Revised Statutes (HRS), which is administered by DLIR, to require that the construction, reconstruction, alteration, maintenance, mechanical or electrical work, or adjustments of any elevator or kindred equipment be performed only by an elevator mechanic licensed in accordance with Chapter 448H, HRS, a regulatory program administered by DCCA.

Supportive testimony was submitted by the International Union of Elevator Constructors, Local Union No. 126 (Elevator Mechanics' Union).

Testimony in opposition to this bill was submitted by Outrigger Hotels Hawaii, the Hawaii Pacific Elevator Corporation, Island Elevator Corporation, Mitsubishi Elevator Company, Montgomery Elevator Company, Otis Elevator Company, Schindler Elevator Corporation, and U.S. Elevator.

Comments by the Department of Labor and Industrial Relations, and the Hawaii Council of Associations of Apartment Owners (Apartment Owners) were also submitted.

By way of background, in 1992, a dispute arose as to whether existing state law required "aesthetic work" on elevators to be performed by licensed elevator mechanics.

In performing purely aesthetic work (also referred to as interior cab work), it was not uncommon for elevator companies to occasionally use persons who were not licensed as elevator mechanics. However, this practice was challenged by the Elevator Mechanics' Union before the Elevator Mechanics Licensing Board (Board).

In Order No. EVM-DR-92-1, the Board ruled that Chapter 448H, HRS, and Hawaii Administrative Rules, "require that a licensed elevator mechanic perform, or supervise apprentice elevator mechanics in performing, purely aesthetic work done on elevators."

The representative of the Elevator Mechanics' Union testified that this bill, as received, would require DLIR to fully implement the Board's ruling, and authorize DLIR job site inspectors to take immediate corrective action when they observe personnel lacking in qualifications attempting to do work on elevators and other specialized equipment.

However, the DLIR representative testified that it would be impossible for the Department to enforce the provisions of this bill with existing departmental budgetary resources. Currently, DLIR has eleven inspectors that are responsible for overseeing approximately 5,000 elevators in the State.

Furthermore, the Apartment Owners representative testified that this bill, as received, would require apartment buildings to pay for elevator mechanics to be present during janitorial cleaning, changing the lights, and installing devices such as security cameras. The Apartment Owners representative added that recently, an apartment building paid \$4,000 per cab for major renovations, and \$2,000 more per cab to the elevator mechanics who stood around and watched during the renovation process.

Your Committee also recognizes that elevator mechanics are currently regulated by the Department of Commerce and Consumer Affairs in accordance with Chapter 448H, HRS.

In light of the foregoing, your Committee believes that there is a need to clarify the law to ensure that:

- (1) Elevator mechanics need not be present to supervise or conduct work outside the scope of their profession, such as the aesthetic maintenance of the cab interior; and
- (2) Elevator mechanics are present to supervise or conduct work within the scope of their profession that affects both the safe operation of the elevator and the welfare and safety of the consuming public, such as work on the lifting apparatuses of the elevator.

Accordingly, your Committee has amended this bill as follows:

- (1) Clarified the definition of "elevator mechanic" in Chapter 448H, HRS, to mean any person who engages in, inter alia, the construction, reconstruction, alteration, and maintenance of an elevator or kindred equipment, or which is otherwise necessary for the proper completion of the work on the lifting device and which affects its safe operation; and
- (2) Made technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

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. 3297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3297, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 658-94 Consumer Protection and Commerce on H.B. No. 3309

The purpose of this bill is to delete the requirement for an applicant to submit a photograph in four licensing statutes, namely, Sections 436B-10, 438-7, 442-2, and 448-9, Hawaii Revised Statutes. This measure deletes this requirement as provided in the Professional and Vocational Licensing Act, the barber's licensing statute, the chiropractic licensing statute, and the dental licensing statute.

Testimony was presented by the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (Department). The Department testified that the photograph requirement was originally imposed many years ago for three purposes:

- (1) To verify the applicant's identity for admittance to the licensing examination;
- (2) To verify the applicant's identity for licensure; and
- (3) Upon licensure, to verify the licensee's identity to aid in the complaint investigations.

The Department stated that the photograph requirement has lost the purposes for which it was intended as all applications for licensure must be notarized, which provides verification of an applicant's identity and signature. The deletion of this requirement will streamline the Department's processing system.

There was no testimony in opposition to this bill.

Your Committee concurs with the Department's position. Technical amendments have been made 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 H.B. No. 3309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3309, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 659-94 Consumer Protection and Commerce on H.B. No. 3310

The purpose of this bill is to conform State law pertaining to the regulation of psychologists with the Association of State and Provincial Psychology Boards' Model Act.

More specifically, this bill:

- (1) Defines the following terms:
 - (A) "Institution of higher education" to mean: a university, professional school, or other institution of higher learning that is regionally accredited by the Council on Post-secondary Accreditation and the United States Department of Education; in Canada, holds a membership in the Association of Universities and Colleges of Canada; or in other countries, is accredited by the official accrediting organization of another country;
 - (B) "Licensed" to mean the authority to engage in the autonomous practice of psychology; and
 - (C) "Regionally accredited institution" to mean an institution of higher education accredited by the bodies approved by the Council of Post-secondary Accreditation and the United States Department of Education;
- (2) Clarifies the definitions of "practice of psychology", and "professional psychology training program";
- (3) Establishes criteria in determining whether a doctoral training program is a "professional psychology training program";
- (4) Exempts the following categories of persons from the licensure requirements of Chapter 465, Hawaii Revised Statutes (HRS):
 - (A) Persons licensed under regulatory laws other than Chapter 465, HRS, that render services within the scope of practice as set forth in the statutes regulating the person's professional practice;
 - (B) Mental health professionals who do not require licensure under Chapter 465, HRS; and
 - (C) Members of the clergy;

provided that exempted persons within the aforementioned categories do not represent themselves as psychologists or as rendering psychological services;

- (5) Allows the Board of Psychology (Board) to accept, inter alia, doctoral degrees from a professional psychology training program awarded by an institution of higher education, or a regionally accredited institution, or a diplomate certificate in good standing granted by the American Board of Professional Psychology, as evidence that the license applicant has fulfilled educational requirements;
- (6) Establishes educational and experiential requirements for senior psychologist licensees;
- (7) Clarifies that a graduate of an institution other than an institution of higher education must demonstrate to the Board's satisfaction that the requirements of the doctoral degree obtained at the graduate's institution is substantially similar to the requirements of a professional psychology doctoral degree from an institution of higher education;
- (8) Requires the Board to refuse to grant or renew a license to any applicant, inter alia, that:
 - (A) Exercises undue influence to exploit a student, or supervisee for financial or other personal advantage;
 - (B) Is convicted of any crime or offense that reflects the inability of the applicant to practice psychology with due regard for the health and safety of clients; or
 - (C) Uses untruthful or deceptive statements concerning the licensee's qualifications or the effects or results of proposed treatment;

and
- (9) Makes numerous housekeeping revisions for purposes of clarity and style.

Supportive testimony was submitted by the Board and the Hawaii Psychological Association (HPA).

According to both the Board and HPA representatives, this bill clarifies the functions of psychologists and standardizes guidelines in keeping with national standards of practice.

In addition, your Committee finds that this bill will improve Hawaii's ability to attract highly experienced and well-respected senior psychologists who have established excellent reputations in the field, but who obtained licensure prior to the advent of national examinations. This bill will also prevent the entry of psychologists who do not meet rigorous standards.

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

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. 3310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3310, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 660-94 Consumer Protection and Commerce on H.B. No. 3553

The purpose of this bill is to prohibit advertisements for the sale of goods, products, property, merchandise, or services at a price which is less than the total price at which such items shall be sold to the consumer.

Your Committee recognizes that oftentimes advertisements can be misleading to consumers because of other mandatory fees or charges added on to the sales price at which such goods, products, property, merchandise, or services are being advertised. This bill requires that prominent disclosures be made of these additional charges, including taxes.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs (Department). The Department felt that it would be preferable to proscribe all advertising which unbundles the price thereby identifying the actual price of the item.

Testimony in opposition to this bill was received from the Hawaii Publishers Association, the Hawaii Food Industry Association, the Retail Merchants of Hawaii, and Liberty House.

Your Committee has amended this bill to address the following concerns of the opponents of this bill:

- (1) Deleting any reference to publication of advertisements in Section 1 to avoid putting the burden of enforcement under this measure upon the publishers of advertisements;
- (2) Deleting the reference to general excise or any other tax applicable to the item being included in Section 1 since it is common knowledge that either a 4% or 4.167% tax is charged on any item sold in Hawaii; and
- (3) Making other technical and nonsubstantive amendments for purposes of clarity, consistency, 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. 3553, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3553, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 661-94 Finance on H.B. No. 3326

The purpose of this bill is to expand the Community Hospitals Division's Pilot Autonomy Project to include four rural hospitals, a medical clinic, and the Division Administrative Staff Office (Office).

The Department of Health submitted testimony in strong support of this measure and also proposed some language modifications.

Your Committee has amended this measure by:

- (1) Authorizing the Office to act on behalf of any or all of the community hospitals, to cover such cases as managed care agreements entered into by the Office for an entire county or for the community hospital system as a whole;
- (2) Changing the name of Hana Medical Clinic to Hana Medical Center to properly reflect its legal name; and
- (3) Making technical, nonsubstantive revisions for the 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. 3326, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3326, H.D. 2.

Signed by all members of the Committee.

SCRep. 662-94 Finance on H.B. No. 3447

The purpose of this bill is to provide fiscal flexibility to the Department of Education and the University of Hawaii.

The Department of Education and the University of Hawaii testified in support of the bill.

Upon further consideration, your Committee has amended the bill as follows:

- (1) Deleted the "single appropriation" approach to appropriating funds to the Department of Education and the University of Hawaii;
- (2) Deleted the findings and purpose section; and
- (3) Made technical, nonsubstantive revisions 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. 3447, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3447, H.D. 1.

Signed by all members of the Committee.

SCRep. 663-94 Finance on H.B. No. 3532

The purpose of this bill is to establish a performance audit program within the Office of the Auditor to:

- (1) Examine the organization, management, and programs of state government; and
- (2) Identify opportunities for reorganization, consolidation, and elimination of duplicated functions.

The Office of the Auditor submitted testimony in support of this measure.

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

- (1) Clarifying that the audit evaluate the effectiveness of agencies and make recommendations to improve the effectiveness of government;
- (2) Deleting the requirement that the work plan include public hearings;
- (3) Providing that the Auditor shall conduct a performance audit on at least one of the following:
 - (a) The Department of Human Services;
 - (b) The Department of Agriculture;

- (c) The Department of Business, Economic Development, and Tourism; and
- (d) The Department of Health;
- (4) Deleting the provision that allows the Auditor to accept gifts, grants, assistance, or professional services;
- (5) Replacing the \$75,000 appropriation with \$1 for the purpose of continued discussion; and
- (6) Making technical, nonsubstantive revisions for purposes of clarity, style, 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. 3532, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3532, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 664-94 Judiciary on H.B. No. 2175

The purpose of this bill is to make unlawful the operation of a recreational vessel in state waters by a person under the influence of intoxicating liquor.

Testimony in support of the measure was received by your Committee from representatives of the Department of Land and Natural Resources and the Hawaii Medical Association.

Your Committee notes the potential danger to persons and property posed by those who operate vessels under the influence of intoxicating liquor.

The National Transportation Safety Board recommended in October, 1983, that states adopt legislation that clearly defines the allowable level of intoxication for recreational boat operators in order to strengthen state enforcement programs for reducing accidents, fatalities, injuries, and property damage. Although an island state with a long history of recreational boating, Hawaii is among eight states that have not adopted such legislation.

Your Committee believes that criminal penalties should be in place for those who operate vessels under the influence of alcohol.

Your Committee also believes that those penalties involving fines and prison sentences should track, as closely as possible, the present penalties for driving under the influence and so has amended the bill accordingly.

In addition, for purposes of implied consent, your Committee has amended the measure to provide that consent is implied when the vessel being operated is either motorized or greater than eight feet in length. These types of vessels are the ones presently subject to registration. Lastly, the effective date has been changed to January 1, 1995.

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. 2175, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2175, H.D. 2.

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

SCRep. 665-94 Judiciary on H.B. No. 2449

The purpose of this bill is to exempt from civil liability, any person, government agency, charitable, religious, or nonprofit organization that in good faith provides shelter or proper means of subsistence to needy persons without remuneration or expectation of remuneration, except for damages resulting from gross negligence or wanton acts or omissions.

Testimony in support of this bill was received from the Department of Housing and Human Concerns of the County of Maui, the Institute for Human Services, Ka Hale A Ke Ola Homeless Resource Center, Maui Community Food Bank, West Maui Taxpayers Association, and Harvest Chapel.

Your Committee believes that it is imperative that the sincerity and good will of individuals and private organizations committed to helping the needy be supported and protected. Your Committee believes that providing immunity from tort liability to those individuals and organizations will assist them in providing services to the needy.

Your Committee has amended this bill by:

- (1) Providing that any person, who in good faith and without remuneration or expectation of remuneration, donates goods or services to a charitable or nonprofit organization that provides shelter or proper means of subsistence to needy persons, shall not be liable for civil damages therefor, except for gross negligence or wanton acts or omissions; and
- (2) Providing that any charitable or nonprofit organization, that in good faith provides shelter or proper means of subsistence to needy persons as part of their charitable activities, without remuneration or expectation of

remuneration, shall not be liable for civil damages therefor, except for gross negligence or wanton acts or omissions.

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. 2449, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2449, H.D. 1.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 666-94 Judiciary on H.B. No. 2972

The purpose of this bill is to amend the Administrative Revocation of Driver's License law by:

- (1) Authorizing the Administrative Director of the Courts to assess witness fees and mileage fees as provided in civil proceedings in the district courts;
- (2) Authorizing the court to remand cases back to the Administrative Director of the Courts;
- (3) Mandating rather than allowing the imposition of administrative revocation periods;
- (4) Exempting the adoption of rules under this law from the requirements of Chapter 91;
- (5) Allowing issuance of a conditional driving permit if the arrestee must drive for medical hardship or other humanitarian reasons for the care of the arrestee or any person in the direct care of the arrestee; and
- (6) Providing that no conditional permit shall be issued if the arrestee's current license has expired.

Testimony was received from the Judiciary, the Department of the Attorney General, the Hawaii Association of Criminal Defense Lawyers, and an individual attorney.

Your Committee agrees that the Administrative Driver's License Revocation Office (ADLRO) should have the flexibility to deal with situations where the need for a conditional permit is not specifically related to work requirements but to humanitarian needs, and likewise that the court should have the ability to remand cases where appropriate. Your Committee finds that the administrative revocation hearing is a civil proceeding and that requiring the arrestee to pay witness and mileage fees is consistent with other civil proceedings in the district courts.

Your Committee believes that the public should be given the opportunity to be notified of and have input into any proposed rules of the ADLRO, and therefore has deleted Section 5 of the bill which provided that the adoption of rules be exempt from Chapter 91.

Your Committee has also made technical, nonsubstantive changes to this bill.

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. 2972, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2972, H.D. 2.

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

SCRep. 667-94 Judiciary on H.B. No. 3445

The purpose of the bill is to establish the power and duties of the Department of Land and Natural Resources with respect to conservation districts.

Testimony was received by your Committee from representatives of the Department of Land and Natural Resources, The Chamber of Commerce of Hawaii, and the Land Use Research and Foundation of Hawaii, as well as a private citizen, which supported the bill as originally introduced by the administration.

Your Committee believes that the proper focus of the bill is to make procedural changes to facilitate rule changes. For this reason, your Committee has decided that the amendments to the original bill which appear in House Draft 1 should be deleted. Instead, your Committee believes that these new proposals for changing the definition of land use, requiring that department rules be consistent with the State's cultural heritage, prohibiting golf course and resort development on conservation land, and other changes are more properly addressed at another time, and in another vehicle, with due consideration for available resources and public comment.

Therefore, your Committee has amended the measure by eliminating all of the amendments previously made to the original version of the bill.

In addition, the measure has been amended by inserting the word "temporary" before the word "variance" in two places in subsection (c) of Section 4 relating to zoning. The measure has also been amended by making reference to Section 607-25, Hawaii Revised Statutes, in Section 7 so that it is clear such section shall apply to the new chapter.

Lastly, technical, nonsubstantive amendments have been 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 H.B. No. 3445, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3445, H.D. 2.

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

SCRep. 668-94 Judiciary on H.B. No. 3446

The purpose of the bill is to permit the Department of Land and Natural Resources to adopt rules for the purpose of establishing, as appropriate, subsistence fishing areas. The measure also establishes a subsistence fishing pilot demonstration project along a portion of the coastline of the island of Molokai.

Testimony in support of the intent of the measure was received by your Committee from representatives of the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, and the Office of Hawaiian Affairs, as well as from several private citizens.

Your Committee notes, and agrees with the testimony of the Department of Land and Natural Resources, that the measure is intended to partially implement Section 7 of Article XII of the State Constitution. This Section provides that the State shall protect all rights, customarily and traditionally exercised for subsistence, cultural, and religious purposes, and possessed by ahupua'a tenants who are descendants of native Hawaiians who inhabited the Hawaiian islands prior to 1778, subject to the right of the State to regulate such rights.

At the same time, and consistent with this constitutional provision, your Committee believes that the constitutional mandate to protect traditional practices does not require, or suggest, that such practices must be confined to native Hawaiians. Indeed, the testifiers agreed that subsistence fishing should be available, in accordance with Hawaiian custom and practice, to all those who are willing to accept and abide by those customs and practices.

In addition, your Committee notes that the measure specifically requires that any proposal with regard to the establishment of a subsistence fishing area must include justification which takes into account the use of marine waters for other purposes, such as navigation, fishing and public recreation, and must provide for judicious fishery conservation and management practices.

To more clearly express the principals enunciated above, your Committee has amended the measure by substituting the phrase "native Hawaiian community based subsistence fishing area" for "native Hawaiian subsistence fishing area" wherever it occurs, thus emphasizing that knowledge of traditional subsistence fishing methods of an area is not solely based on genealogy, and hence encouraging the contribution by all persons in the community of their knowledge and skill in this area.

Your Committee has also amended the measure by more clearly defining the maximum boundary of the pilot project area in order to provided flexibility during the rule-making process.

Lastly, technical, nonsubstantive amendments have been 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 H.B. No. 3446, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3446, H.D. 2.

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

SCRep. 669-94 Judiciary on H.B. No. 3716

The purpose of this bill is to provide that the central coordinating agency of each county endeavor to schedule and coordinate a single joint public hearing when multiple permits from state or county commissions or agencies require a public hearing. The bill also authorizes state and county agencies to enter into memoranda of understanding for the purpose of promoting joint processing of public hearings.

Testimony in support of this bill was received from the Department of Land Utilization of the City and County of Honolulu, the State Streamlining Task Force, and The Chamber of Commerce of Hawaii.

Your Committee finds that this amendment to Chapter 46 will help to streamline the processing of land development approvals.

Technical, nonsubstantive amendments have been 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 H.B. No. 3716, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3716, H.D. 1.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami, Takamine and White.

SCRep. 670-94 Judiciary on H.B. No. 3155

The purpose of this bill is to authorize Hawaiian homestead lessees to designate, in addition to their spouses and children, grandchildren who are at least 25 percent Hawaiian as successors to the lease.

Testimony in support of the bill was received from the Department of Hawaiian Home Lands and the Ka Lahui Hawai'i Political Action Committee.

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. 3155 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 671-94 Judiciary on H.B. No. 3159

The purposes of this bill are to:

- (1) Extend the limited civil liability exemption to include those donors who renovate, repair, or maintain existing or acquired facilities for the homeless; and
- (2) Limit the existing exclusion from civil liability to donations given only to the Hawaii Housing Authority.

The Hawaii Housing Authority and the Kokua Council for Senior Citizens submitted testimony in support of 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. 3159 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 672-94 Judiciary on H.B. No. 3323

The purpose of this bill is to amend the age requirement for recovery against the estate of a deceased medical assistance recipient from age 65 to age 55.

The Department of Human Services (Department) submitted testimony in support of this measure. The Department also stated in their testimony that this measure is necessary for compliance with the Omnibus Budget Reconciliation Act of 1993, P.L. 103-66, that mandates recovery of payments from the estate of individuals who were age 55 and older when receiving Medicaid.

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. 3323 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 673-94 Judiciary on H.B. No. 3474

The purpose of this bill is to establish a pre-employment substance abuse testing program for the Department of Public Safety.

More specifically, this bill also provides that:

- (1) An applicant who tests positive for drugs may be denied employment by the Department of Public Safety for three years following the test; and
- (2) An applicant who has refused to submit to the testing shall not be employed with the Department of Public Safety.

The Department of Public Safety submitted testimony urging the passage of 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. 3474 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 674-94 Judiciary on H.B. No. 3618

The purpose of this bill is to exempt any physician who provides free medical treatment, diagnoses, or advice to medically indigent patients from liability for civil damages, except in cases of gross negligence or wanton acts or omissions if the physician exercises that standard of care expected of similar physicians under similar circumstances.

Testimony in support of this bill was received from the State Department of Health, the Institute for Human Services, the Hawaii Medical Association, the Kokua Council for Senior Citizens, the Aloha Medical Mission, the Hawaii Senior Physicians Committee, the Retired Physicians Committee, and an individual physician.

Your Committee finds that there are many physicians in active practice or who have retired who generously give their medical services without compensation. This bill supports these physician volunteers and may assist with improving access to medical care for medically underserved communities.

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. 3618, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 675-94 Consumer Protection and Commerce on H.B. No. 2613

The purpose of this bill is to clarify the roles of the State and the counties pertaining to the regulation of jitney services.

More specifically, this bill:

- (1) Defines "jitney services" as unsubsidized public transportation services utilizing motor vehicles having seating accommodations for eight to twenty-five passengers operating along specific routes during defined services hours and levying a flat rate schedule;
- (2) Clarifies that it is the policy of the State to further promote privately-operated public passenger vehicle service by requiring jitney services not regulated by the counties to be under the jurisdiction of the Public Utilities Commission (PUC); and
- (3) Exempts persons conducting county-regulated jitney services from PUC regulatory oversight authorized pursuant to Chapter 271, Hawaii Revised Statutes, the Motor Carrier Law.

Supportive testimony was submitted by The Chamber of Commerce of Hawaii (Chamber).

Comments by the Public Utilities Commission, the Department of Transportation of the City and County of Honolulu, and the Committee on Sensible Transit were also submitted.

The Chamber representative testified that jitney services can be extremely useful in enhancing the present public bus system, particularly in augmenting the capacity of existing services routes. Because such services would be run by private entrepreneurs, this additional form of transit services would not add to public subsidy costs. Furthermore, as an additional mobility option, jitneys would serve as another transportation demand management tool in county and state efforts to increase ridesharing and transit activities.

In light of this, your Committee believes that this bill satisfies the transportation needs of our citizenry, and serves the best interests 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. 2613, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 676-94 Judiciary on H.B. No. 2308

The purpose of the bill is to create a new misdemeanor offense of street solicitation in Waikiki for the purposes of prostitution. The statute imposes a mandatory six-month imprisonment.

Testimony in support of the intent of the measure was received by your Committee from representatives of the Department of Business, Economic Development, and Tourism, the Police Department of the City and County of Honolulu, the Waikiki Improvement Association, and the Retail Merchants of Hawaii.

Your Committee finds that the level of street solicitation for the purposes of prostitution in Waikiki has become intolerable. Visitors and residents alike are repeatedly being accosted for purposes of solicitation.

Your Committee notes that these street solicitors are frequently non-residents who confine their activity to the streets of Waikiki because the large number of tourists on the sidewalks offer a money-making opportunity with little disincentive to the prostitute in terms of personal consequences.

Your Committee finds that these prostitutes would not ply their trade on the street if they were convinced that the cost to themselves, in terms of confinement, were too high. Therefore, many of the prostitutes will forgo their sojourns to

Hawaii, dramatically reducing the number of active street-walkers. This in turn, will permit the police to direct their enforcement efforts more effectively, and with greater effect, on those remaining.

Your Committee is convinced that the only way to have an immediate effect upon the level of street solicitation for purposes of prostitution is to make the "business climate" for this activity as unfriendly as possible.

Technical, nonsubstantive amendments to the bill have also been 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 H.B. No. 2308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 677-94 Judiciary and Consumer Protection and Commerce on H.B. No. 2825

The purpose of this bill is to lessen restriction on the sale and lease of a charitable organization's donors list by eliminating the requirement to obtain the donor's consent to the use of their name and address for purposes of the sale and lease of the list.

Your Committees received testimony in support of the measure from representatives of Easter Seals, the March of Dimes, and the Direct Marketing Association. A representative of the Department of Commerce and Consumer Affairs opposed the measure primarily because the donor would not make a request to be deleted from the list if the donor had no knowledge of how the system works.

Your Committees believe that a balance can be made between consumer rights and the need for charitable organizations to raise funds to continue their important work.

Therefore, your Committees have amended this measure by providing, at the end of Section 1 of this bill, that prior to the list being sold or leased, the donor shall have been informed of their right to be deleted from the list, while retaining the requirement that the person selling or leasing the list must have procedures in place to delete the names of donors who ask to be deleted.

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. 2825, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2825, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Ishii-Morikami, Menor, Peters and Takamine.

SCRep. 678-94 Consumer Protection and Commerce on H.B. No. 2490

The purpose of this bill is to clarify what types of prescriptions require an out-of-state practitioner's DEA registration number.

Your Committee received testimony from the Hawaii Pharmaceutical Association in support of this bill. In order to verify authenticity of the prescriber, the current law requires the DEA number for original, "hardcopy" out-of-state prescription requests as well as for telephone or facsimile out-of-state prescription requests. The Hawaii Pharmaceutical Association testified that because pharmacists have the ability to verify authenticity of hardcopy out-of-state prescription requests, it is unnecessary to require corresponding DEA numbers.

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. 2490 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 679-94 Housing on S.B. No. 2404

The purpose of this bill is to expand individual housing accounts to include other depository financial services loan companies.

Your Committee heard testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Department of Taxation, and the Tax Foundation of Hawaii.

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. 2404, 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 except Representatives Kawakami, Peters and White.

SCRep. 680-94 Consumer Protection and Commerce and Judiciary on H.B. No. 2186

The purpose of this bill is to permit automotive dealers to record a transfer within 30 days rather than 20 days before assessment of a \$50 penalty fee for late filing.

Your Committees received testimony from the City and County of Honolulu Director of Finance supporting the bill because dealers often have difficulty obtaining titles for used vehicles from mainland lending institutions and the additional 10 days added by this bill should provide dealers with sufficient time to record without the penalty.

Testimony was also received from the Hawaii Automobile Dealers Association supporting the bill but requested a 45-day time frame rather than 30 days.

Your Committees feel that 30 days should be sufficient time to record transfers.

Technical, non-substantive amendments have been made.

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. 2186, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2186, H.D. 2.

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

SCRep. 681-94 Consumer Protection and Commerce and Judiciary on H.B. No. 2909

The purpose of this bill is to add a new part to Chapter 445, Hawaii Revised Statutes, to regulate "going out of business sales."

Your Committees received testimony in support of this bill from the Department of Commerce and Consumer Affairs, Indich Collection Oriental Rugs, and several individuals. The Legislative Information Services of Hawaii have no objection to the posting requirements in the measure, but, overall, believe the bill is overkill.

Your Committees agree that legislation is warranted in light of the many fraudulent "going out of business sales" that give consumers the impression that a merchant is under undue pressure to sell merchandise, but are, in fact, selling the merchandise at highly exaggerated "discounts."

Your Committees have amended the bill by:

- (1) Deleting, as superfluous, the test that a business must have been in business at the same location in Hawaii for more than six months to be subject to the posting requirement; and
- (2) Technical, nonsubstantive amendments for 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. 2909, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2909, H.D. 2.

Signed by all members of the Committees except Representatives Amaral, Menor, Peters and Takamine.

SCRep. 682-94 Consumer Protection and Commerce on H.B. No. 3432

The purposes of this bill are to:

- (1) Allow the Public Utilities Commission (PUC) the discretion to extend the time period in which it must issue its decision on an application, upon a showing of good cause after notice and a hearing; and
- (2) Prevent unreasonable or unnecessary delay in the decision on an application by requiring the PUC to report the reasons for the delay, in writing, to the Legislature within thirty days after rendering its decision.

Your Committee received testimony in support of this measure from the Consumer Advocate and the PUC. Testimony in opposition was submitted by Hawaiian Electric Company, Inc., BHP Petroleum Americas (Hawaii) Inc., The Gas Company, and GTE Hawaiian Telephone Incorporated.

Your Committee finds that the workloads of the PUC and the Consumer Advocate have increased significantly, as well as the complexity of the cases which require the hiring of consultants with specialized expertise in utility issues. Accordingly, the current time period for rendering a final or interim decision may be impractical.

Your Committee was assured that in order to prevent unreasonable or unnecessary delays in the decision of utility rate cases, the PUC must find that there is good cause for the extension of the final or interim decision of the PUC.

Your Committee is concerned that, whenever a final decision is rendered by the PUC after the nine-month period, the PUC shall report the reasons for that extension to the Legislature. This report is an important means by which the Legislature may determine whether the PUC is able to expeditiously conduct and conclude its review of the issues raised in utility rate applications, in furtherance of the public interest. Your Committee expects the PUC to fully comply with this current statutory requirement.

Your Committee is concerned that this bill shall not take effect if the PUC or the Consumer Advocate receives an increase in personnel. This stipulation is not consistent with the need for expert consultants in utility rate cases.

Therefore, this bill has been amended by:

- (1) Deleting language in Section 3 that stipulates that this bill does not take effect if the number of personnel in either the PUC or the Division of Consumer Advocacy is increased; and
- (2) Making other technical, non-substantive corrections for purposes of clarity, consistency, 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. 3432, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3432, H.D. 2.

Signed by all members of the Committee except Representative Takamine.

SCRep. 683-94 Consumer Protection and Commerce on H.B. No. 2363

The purpose of this bill is to amend Chapter 437, Hawaii Revised Statutes, relating to new and used motor vehicles.

More specifically, this bill provides the following:

- (1) Gives a new or used car buyer the unqualified right to cancel the sales contract with the motor vehicle dealer within three days, provided that the buyer has not taken possession of the vehicle;
- (2) Requires the dealer to notify the buyer of the right of cancellation; and
- (3) Prohibits the trade or sale of the vehicle used as a trade-in until three business days after the sales contract is signed by the buyer.

Testimony in support of this bill was submitted from a representative of the Department of Commerce and Consumer Affairs (Department). The Department testified that this measure provides a balance in protecting the interests of both consumers and dealers.

Testimony neither supporting nor opposing this bill was also received from the Hawaii Automobile Dealers' Association which raised various concerns regarding the requirements of this bill.

Your Committee finds that there is a legitimate need to provide consumers with a three day rescission period when purchasing a new or used car.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of style, consistency, 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. 2363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2363, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Oshiro, Peters and Takamine.
(Representatives Herkes and Thielen voted no.)

SCRep. 684-94 Consumer Protection and Commerce on H.B. No. 2461

The purpose of this bill is to require that an affidavit, setting forth proof establishing that a mortgage debt has been discharged and the mortgage has been fully satisfied, be attached to the release of a mortgage executed by any title insurer or underwritten title company on behalf of a mortgagee or record assignee.

Supportive testimony was submitted by Title Guaranty Escrow Services, Inc. (Title Guaranty). Comments by the Commissioner of Financial Institutions were also submitted.

The representative of Title Guaranty testified that the present judicial process of resolving disputes regarding the release of mortgages is costly and time consuming. Furthermore, if a release of a mortgage is not obtainable, escrow companies, title companies, and new buyers must pay for a civil action in order to obtain a release of mortgage.

In light of this, your Committee believes that this bill will remedy this problem as well as serve the interests of the public.

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

- (1) Clarified that the proof establishing the discharge of a mortgage debt and proof that the mortgage has been fully satisfied may take the form of a cancelled check or written confirmation from the mortgagee;
- (2) Required that the release of a mortgage be executed by an officer of the title insurer or underwritten company;
- (3) Provided that the title insurer or underwritten title company be liable for treble damages and reasonable attorneys' fees and costs if the title insurer or underwritten company acted with gross negligence or in bad faith in releasing a mortgage; and
- (4) Made technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

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. 2461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2461, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 685-94 Consumer Protection and Commerce on H.B. No. 2861

The purpose of this bill is to allow depository financial services loan companies to invest their assets in securities issued by diversified investment management companies, commonly known as diversified mutual funds, that have been in existence for at least five years.

Testimony in support of the bill was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Financial Services Association, Inc.

Your Committee has made a technical, nonsubstantive amendment for 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. 2861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2861, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 686-94 Consumer Protection and Commerce on H.B. No. 2766

The purposes of this bill are to:

- (1) Require each association of time share owners to provide copies of audits and audited financial statements to owners upon request, and subject to payment of reasonable administrative costs;
- (2) Requires each association of time share owners to prepare an annual operating budget, distribute copies to the owners, and assess the owners not less than fifty percent of the estimated replacement reserves;
- (3) Requires the Real Estate Commission to adopt rules regarding funding estimated replacement reserves;
- (4) Provides immunity to the association, owner, association director or officer, exchange agent, plan manager, or employee of the association for inaccuracies in calculating the estimated replacement reserves; and
- (5) Defines the term "replacement reserves."

Your Committee heard testimony from the Department of Commerce and Consumer Affairs expressing support for the bill.

Your Committee finds that time share associations should be required to adopt operating budgets, distribute them to the owners upon request, and to set aside replacement reserves.

Your Committee has amended this bill by:

- (1) Requiring the Director of Commerce and Consumer Affairs to adopt rules, pursuant to Chapter 91, Hawaii Revised Statutes, regarding estimated replacement reserves; and
- (2) Making technical, non-substantive amendments 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 H.B. No. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2766, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki and Takamine.

SCRep. 687-94 Consumer Protection and Commerce on H.B. No. 3307

The purpose of this bill is to amend Chapter 459, Hawaii Revised Statutes (HRS), to:

- (1) Delete the requirement of submitting a personal photograph with an application for licensure as an optometrist;
- (2) Clarify the examination requirements necessary for licensure and replace references to the National Board of Examiners in Optometry (NBEO) clinical skills examination with that of the practical (Patient Care) examination; and
- (3) Specify the time frame within which the NBEO written examinations are considered valid for licensure purposes.

Your Committee received testimony in support of this administration bill from the Board of Optometry.

Your Committee has made technical, nonsubstantive amendments to this bill for the purpose 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. 3307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3307, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 688-94 Consumer Protection and Commerce on H.B. No. 3212

The purpose of this bill is to continue the regulation of nurses in Hawaii to December 31, 2000, and to repeal the provision authorizing the Board of Nursing to deny, revoke, limit, or suspend any license to practice nursing and to fine or discipline a licensee on the basis of gross immorality.

Testimony was received in support of this measure from the State Auditor, the Hawaii State Board of Nursing, the Hawaii Nurses' Association, Kalihi-Palama Health Center and various concerned private citizens.

Your Committee finds that regulation is necessary because the practice of nursing has significant potential for harm to the public's health, safety, and welfare.

The State Auditor recommended that the bill be amended to delete a provision of Chapter 457 which cites "gross immorality" as a possible cause for the board to deny, revoke, limit, or suspend a nurse's license. The law does not define "gross immorality" and because of its vagueness and lack of relevance, the recommendation was to delete the provision.

Your Committee concurs with the recommendation and has amended the bill to delete "gross immorality." In addition, your Committee used this bill as a vehicle in which to recognize advanced practice registered nurses (APRNs) and to grant limited prescriptive authority to qualified APRNs. In so doing, your Committee has made the following amendments:

- (1) Amending Chapter 457, Hawaii Revised Statutes, by:
 - (a) Recognizing advanced practice registered nurses who meet specified qualifications;
 - (b) Granting prescriptive authority for qualified advanced practice registered nurses who meet specified qualifications and who have entered a prescriptive authority relationship with a physician, in accordance with rules adopted by the Board of Medical Examiners;
 - (c) Establishing a formulary council within the Department of Commerce and Consumer Affairs. The formulary is appointed by the Board of Nursing and is comprised of nine persons, eight of whom are from specified medical backgrounds and one of whom is from the general public with a background in a health-related field. Among its specified responsibilities, the formulary council is to determine the drugs that may be prescribed by a recognized advanced practice registered nurse;
 - (d) Requiring joint review of the proposed formularies created by the formulary council by the Board of Nursing and the Board of Medical Examiners;
 - (e) Providing for APRN representation on the Board of Nursing;
 - (f) Providing for licensing and continuing education requirements for APRNs;
 - (g) Expanding the grounds for which disciplinary action may be taken by the Board of Nursing, to include situations where fraud or deceit is involved in procuring or attempting to procure recognition as an APRN or prescriptive authority, or where misuse of the prescriptive authority occurs;

- (2) Amending Section 453-8, Hawaii Revised Statutes, to expand the grounds for which disciplinary action may be taken by the Board of Medical Examiners, to include a physician's failure to comply with the prescriptive authority relationship entered with an APRN;
- (3) Requiring an evaluation of the effectiveness of the pilot program to be provided to the Legislature by the University of Hawaii School of Nursing prior to the convening of the Regular Session of 1996.

Your Committee notes that the rights and responsibilities set out in this bill, as recognized by the majority of states, will promote cost-efficient and effective health care in our State by increasing the availability of quality health care to segments of our population who presently encounter difficulty accessing health care. The bill also addresses many of the safety issues raised by various medical professionals and attempts to accommodate concerns expressed by these professionals regarding the implementation of the prescriptive authority program.

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. 3212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3212, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 689-94 Consumer Protection and Commerce on H.B. No. 2635

The purposes of this bill are to:

- (1) Require the Public Utilities Commission (PUC) to approve rules, guidelines, or other standards interpreting federal or state laws governing non-utility generators (NUGs); and
- (2) Prohibit the utility from adopting any rules that would hold the NUGs monetarily responsible for the public utility's costs and profits.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, Waimana Enterprises, Inc., Kawaihae Cogeneration Partners, Mauna Kea Power Company, Inc., Wailuku River Hydroelectric Power Co., Inc., the Hawaiian Sugar Planters' Association and various individuals.

Testimony in opposition to this bill was received from the Consumer Advocate, Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Electric Light Company, and Maui Electric Company.

The Public Utilities Commission testified in support of PUC approval of public utility rules, guidelines, or other standards that interpret federal or state laws governing NUGs, but did not support a blanket prohibition against public utilities recovering certain planning costs from NUGs.

Your Committee believes that there may be situations in which it is appropriate for a utility to recover certain costs from a NUG.

Accordingly, your Committee has amended the bill by:

- (1) Providing that any rules, guidelines, or other standards of a public utility which make a non-utility generator monetarily responsible for the public utility's costs and profits of doing business as a public utility shall be approved by the Legislature before adoption; and
- (2) Making other technical, non-substantive amendments for purposes of consistency, 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. 2635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2635, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 690-94 Consumer Protection and Commerce on H.B. No. 1733

This bill is an Administration bill which amends Hawaii's refund and exchange law. Insofar that problems relating to refunds and exchanges constitute one of the major areas of complaint within the responsibility of the Office of Consumer Protection (OCP), the purpose of this bill is to replace the existing refund and exchange law with one no less comprehensive in scope but improved in the important areas of expressly defining in understandable language the terms and phrases pertinent in transactions involving the refund and exchange of merchandise. This measure also provides necessary clarification of the respective duties and responsibilities of merchants and consumers so that each will be better informed in resolving such issues relating to refunds and exchanges.

It should be noted that for the last few years, OCP and the Retail Merchants of Hawaii (RMH) have equally invested long hours in demonstrating their mutual concern and commitment towards the drafting of legislation which seeks to reduce the large number of disputes arising between consumers and merchants with respect to the issue of refunds and exchanges.

While OCP and RMH were not able to agree to all provisions contained in this bill, your Committee believes that the benefits to be gained by enacting this new refund and exchange law outweigh other alternatives.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying ambiguous terms in the definition section to increase administrative efficiency;
- (2) Allowing oral and written notice in lieu of posting a return policy sign regarding exclusion of custom or specially ordered from the return policy, and allowing pass through of shipping charges on the cancelled special orders if it is disclosed;
- (3) Requiring that a merchant must handle refunds in compliance with subsection (h) if the merchant fails to post a sign;
- (4) Reducing the threshold amount for refunds by check from fifty to twenty-five dollars, and requiring cash refunds to be made within ten days of the return;
- (5) Increasing the time period within which a merchant's check must be issued when the purchaser's payment was made by cash or check, to ten days after the purchaser's check has cleared;
- (6) Reducing from five years to two, the minimum time period within which a merchandise credit shall be valid;
- (7) Permitting a price adjustment on exchanges for size or color only if a differing size or color normally sells at a different price;
- (8) Deleting mandatory language for signs regarding returns for merchandise credit;
- (9) Providing that the return tag date is not needed if it is not relevant to the return policy, and does not apply to items under \$10.00;
- (10) Allowing merchants to consider the current price or most recent sale price of goods to determine the value of merchandise when a return tag procedure is used, and the goods are returned without the return tag;
- (11) Excluding from operation of this section, goods that were damaged or defective prior to the sale, or were damaged after the sale.

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. 1733, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1733, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 691-94 Consumer Protection and Commerce on H.B. No. 3258

The purpose of this bill is to expand the statutory authority of certain financial institutions to conduct commercial activities.

More specifically, this bill provides expanded powers for banks in the following areas:

Insurance and Annuities:

- (1) Allows banks to transact a business of insurance within and outside the State subject to Chapter 431, Hawaii Revised Statutes (HRS), including the making of contracts of insurance and the sale of insurance and annuities, through any department, division, subsidiary, or affiliate of the bank;
- (2) Requires the Commissioner of Financial Institutions (Commissioner) to adopt rules that:
 - (A) Require banks to apply for and receive approval from the Commissioner prior to transacting in insurance business; and
 - (B) Govern the bank's exercise of expanded powers;
- (3) Provides that the above-mentioned rules address the safety and soundness of the bank, the protection of its customers, the avoidance of false and misleading practices, unfair competition, and conflicts of interest, and the preservation of the role of the bank as an impartial provider of credit within its markets;

Securities:

- (4) Allows banks, through a department, division, subsidiary, or affiliate, to transact in the following securities activities, within and outside the State, subject to Chapter 485, HRS:

- (A) The sale or purchase of any security for the account of customers, either alone or in conjunction with rendering investment advice through a discount or full-service brokerage;
- (B) The organization, sponsorship, operation, control, or distribution of one or more investment companies;
- (C) The provision of portfolio advice to customers, and investment and financial advice to government agencies; and
- (D) Service as dealer-manager, or financial advisor to corporations, partnerships, or other persons;
- (5) Provides the Commissioner with rulemaking authority regarding the securities activities of banks to avoid unsound banking practices;

Generally:

- (6) Clarifies that if a bank either transacts in insurance or annuities business, or engages in securities activities within a jurisdiction outside the State, the laws and rules applicable to the other jurisdiction pertaining to insurance or annuities, or securities, respectively, shall apply in matters not addressed in the Hawaii Code of Financial Institutions or adopted rules;
- (7) Allows banks to own or control the capital stock of a company that either:
 - (A) Transacts in insurance or annuities business; or
 - (B) Engages in securities activities;
 and
- (8) Repeals statutory language that prohibits banks from engaging in business for which an insurance agent, insurance agency, securities broker, or securities dealer license is required.

Supportive testimony was submitted by the Hawaii Bankers Association.

Testimony in opposition was submitted by the Hawaii Insurers Council and State Farm Insurance Companies.

Comments were submitted by the Commissioner of Financial Institutions and the Hawaii Independent Insurance Agents Association.

In recent years, your Committee has labored over the issue of expanding the statutory authority of financial institutions to engage in other commercial activities, such as insurance, annuities, and securities.

Proponents of "expanded powers" legislation have noted that it would ensure a "level playing field" between state-regulated banks and national banks, such as Citicorp and Bank of America that are currently allowed to sell insurance, and streamline the provision of financial products and services to the consuming public.

On the other hand, opponents of "expanded powers" legislation have questioned whether the State would be able to adequately regulate financial institutions and ensure the fiscal integrity of the assets and liabilities of lending institutions that concurrently engaged in banking and other commercial activities.

Your Committee finds that the economic welfare of the State is dependent on the availability of insurance. However, your Committee also recognizes that recent events have significantly threatened the stability of Hawaii's insurance industry.

By way of background, due to massive claim losses throughout the world and the strength of the U.S. dollar in foreign markets, insurance companies have experienced great difficulties in obtaining sufficient reinsurance to reduce liabilities, increase surplus, and expand their capacity to underwrite policies. As a result, consumers, particularly new homebuyers, have experienced great difficulties in obtaining affordable policies for insurance coverage.

Your Committee believes that the provision of expanded powers to banks would immediately expand the availability of insurance to the consuming public, and ensure the welfare and safety of Hawaii's citizenry.

Although your Committee agrees that additional "firewalls" may be needed to restrict the commingling of banking and other commercial capital, it is the intent of your Committee that this bill serve as a vehicle to facilitate continued discussion on this matter.

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

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. 3258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3258, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.
(Representatives Cachola, Hirono and Menor voted no.)

SCRep. 692-94 Consumer Protection and Commerce on H.B. No. 2460

The purpose of this bill is to require condominium bylaws to allow condominium board directors to expend "reasonable" travel expenses to attend educational seminars without requiring the approval of a majority of owners.

Your Committee received testimony in support of this bill from the Condominium Sub-Committee, Real Property and Financial Service Section, of the Hawaii State Bar Association indicating that educational expenses for directors are legitimate since all members benefit from a more informed, educated board. The Hawaii Council of Associations of Apartment Owners testified in support, but suggested limitations.

The Real Estate Commission expressed reservations about the bill.

Your Committee finds that directors should be reimbursed for their in-state economy travel, purchase of educational material, and registration fees without requiring owner approval and that the expenses should be disclosed to owners by including them as a line item on the annual operating budget. Your Committee also finds that other travel expenses should remain subject to approval by a majority of owners.

Accordingly, your Committee has amended the bill to allow directors to expend funds to educate themselves in areas directly related to their duties and responsibilities, but require them to include those expenses in their annual operating budget. Further, technical, non-substantive amendments have been made for 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. 2460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2460, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 693-94 Consumer Protection and Commerce on H.B. No. 3520

The purpose of this bill is to expand the notification requirements of an application to obtain a liquor license. This bill requires that:

- (1) A public hearing notice to consider the application be mailed to at least two-thirds of the rental units in a rental apartment located within five hundred feet of the proposed business; provided that the notice shall be mailed to at least three-fourths of the rental units in rental apartments located within one hundred feet of the proposed liquor business;
- (2) The notice be mailed to the resident manager of all rental apartments within five hundred feet of the proposed liquor business;
- (3) The notice be mailed at least forty-five days prior to the date of the hearing to consider the application;
- (4) The applicant file with the Liquor Commission an affidavit of compliance with the notice requirement prior to the hearing; and
- (5) The hearing be cancelled if the affidavit is not filed prior to the hearing or if the affidavit is false.

The City and County of Honolulu and the Legislative Information Services of Hawaii submitted testimony on this bill.

Technical, nonsubstantive amendments have been made for 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. 3520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3520, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Oshiro, Peters and Takamine.
(Representative Herkes voted no.)

SCRep. 694-94 Consumer Protection and Commerce on H.B. No. 2865

The purpose of this bill is to authorize financial services loan companies to impose charges on open-end consumer loans and to impose over-limit charges on open-end credit extensions.

The Hawaii Financial Services Association, Inc., submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted testimony stating that it has no objections to this measure.

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

- (1) Changing the effective date to July 1, 1994; and

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

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. 2865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2865, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 695-94 Consumer Protection and Commerce on H.B. No. 3209

The purposes of this bill are to:

- (1) Extend the regulation of dental hygienists until December 31, 2004;
- (2) Allow dental hygienists who have been licensed in any state which has qualifications for licensure that equal or exceed those required in Hawaii to be eligible for licensure in Hawaii without examination;
- (3) Delete the requirement that practicing dental hygienists inform the Board of Examiners of their place of employment;
- (4) Specify that a licensed dental hygienist must provide proof to the Board of Examiners that the hygienist is certified to administer local anesthesia;
- (5) Eliminate the distinction between dental hygienists in private practice and those in charitable or public practice, and allow dental hygienists in private practice to administer services under the general supervision of a licensed dentist; and
- (6) Change the composition of the Board of Examiners by replacing two dentists with two dental hygienists.

The State Auditor submitted testimony in support of the bill. The State Board of Dental Examiners supported passage of the bill with amendments.

The President and the Legislative Director of the Hawaii Dental Association submitted testimony in opposition to the provisions of the bill concerning licensure by credentials, general supervision as compared to direct supervision, the administering of local anesthesia, and changing the composition of the Board of Dental Examiners.

After considering the testimony submitted, your Committee has amended the bill by:

- (1) Deleting the provision allowing licensing by credentials from states with qualification standards equal to or greater than those required in Hawaii;
- (2) Reinstating the distinction between dental hygienists in private practice and those in charitable or public practice, and specifying that those in private practice shall be under the direct supervision of a licensed dentist;
- (3) Expanding the State Board of Dental Examiners to thirteen members by retaining two dentist members; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and conformity with legislative drafting standards.

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. 3209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3209, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 696-94 Consumer Protection and Commerce on H.B. No. 3208

The purposes of this bill are to:

- (1) Extend the regulation of pharmacists and pharmacy to December 31, 2000;
- (2) Reduce the practical experience requirement for license applicants from 2,000 to 1,500 hours; and
- (3) Delete the requirement of a state jurisprudence examination.

This bill implements the recommendations of the State Auditor which are contained in the report entitled: Sunset Evaluation Update: Pharmacists and Pharmacy.

The Auditor and the Board of Pharmacy testified in support of this bill. The Hawaii Pharmaceutical Association testified that if the state jurisprudence examination can be administered by focusing on our unique laws, continuing to require this examination would be in the patients' best interests.

Your Committee has amended the bill by restoring the provisions that require applicants to pass the state jurisprudence examination (in Sections 3, 4, and 5 of the bill, as received).

It is the intent of your Committee that this examination be updated on a timely basis.

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. 3208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3208, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 697-94 Consumer Protection and Commerce on H.B. No. 3210

The purposes of this bill are to:

- (1) Extend the regulation of nursing home administrators for ten years;
- (2) Establish specifications relating to:
 - (a) Grounds for refusal to renew, reinstate, or restore, and for revocation, suspension, denial, or condition of licenses for nursing home administrators;
 - (b) The suspension, revocation, forfeiture, nonrenewal, surrender, voluntary relinquishment, and suspension of licenses for nursing home administrators; and
 - (c) Hearings and judicial review by the circuit court for licensure cases;
- (3) Add three new definitions to the Nursing Home Administrators Act:
 - (a) "Administrative experience";
 - (b) "Nursing home"; and
 - (c) "Practical experience";
- (4) Specify experience qualifications for applicants of licensure and requires the Board of Examiners of Nursing Home Administrators (Board) to adopt rules setting minimum education qualifications for applicants of licensure; and
- (5) Require the Board to be comprised of at least one public member representing the interests of nursing home residents.

According to the State Auditor, regulation of nursing home administrators is necessary because the federal Medicaid program requires participating states to establish licensing programs for nursing home administrators. If the licensing programs were discontinued, Hawaii would lose its federal Medicaid funding.

Your Committee received testimony in support of the bill from the State Auditor. Extensive testimony was also received from the Board of Examiners of Nursing Home Administrators, the Healthcare Association of Hawaii, the Hawaii Long Term Care Association, and other concerned citizens. In addition, your Committee received testimony in opposition to the bill from several licensed nursing home administrators.

Your Committee finds that a number of provisions relating to discipline are already contained in the Professional and Vocational Licensing Act, Chapter 436B, HRS, and are not necessary for inclusion in the nursing home administrator statute. In light of this, your Committee has deleted these provisions from the bill.

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

- (1) Deleting the definitions "administrative experience" and "practical experience";
- (2) Amending the definition "nursing home" to mean a place authorized as such by the Department of Health for the care of patients requiring continued nursing or health care as a licensed nursing facility;
- (3) Broadening the qualifications for the licensure examination of nursing home administrators to require the Board of Examiners of Nursing Home Administrators (Board) to adopt rules setting minimum educational, training, and experience qualifications;
- (4) Deleting language that the public member represent the interest of nursing home residents for consistency with the public member designation for other regulatory boards; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, 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. 3210, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3210, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 698-94 Consumer Protection and Commerce on H.B. No. 3211

The purpose of this bill is to reenact Chapter 457A, Hawaii Revised Statutes, to continue the regulation of nurse aides to December 31, 2000.

This bill is a result of the Legislative Auditor's sunset review of the regulatory program for nurse aides administered by the Department of Commerce and Consumer Affairs (DCCA).

The State Auditor submitted testimony in support of this measure. The DCCA stated in their testimony that with certain amendments, it supports the passage of this bill. The Kokua Council for Senior Citizens submitted comments on this measure.

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

- (1) Implementing 42 United States Code §1395i-3 and §1396R with respect to establishing an interagency agreement between the state agencies responsible for various aspects of the program;
- (2) Deleting Section 457A-4, Hawaii Revised Statutes, since the existing statutory language is not amended; and
- (3) Making technical, nonsubstantive revisions 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 H.B. No. 3211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3211, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 699-94 Finance on H.B. No. 2002

The purpose of this bill, as received by your Committee, is to allow special funds to retain the investment income derived from their own source of special funds.

Upon careful consideration, your Committee has amended the bill by deleting the substance and inserting new material. As amended, the bill will require the transfer of \$4,000,000 from the Works of Art Special Fund to the general 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. 2002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 700-94 Consumer Protection and Commerce on H.B. No. 3416

The purpose of this bill is to stimulate philanthropy in Hawaii by permitting nonprofit organizations to enter into charitable gift annuity agreements with donors and excluding these nonprofit organizations from regulation under the Insurance Code.

Additionally, this bill defines a nonprofit organization as an organization that:

- (1) Has been granted tax exempt status as a charitable organization by the Internal Revenue Service pursuant to the Internal Revenue Code;
- (2) Has conducted business in the State continuously for at least ten years;
- (3) Has a net worth in Hawaii of not less than \$5,000,000; and
- (4) Maintains a separate annuity fund with at least 50 percent of the value of the annuity.

Punahou School testified that charitable gift annuity contracts were and can again be a large source of charitable contributions from donors willing to give money, securities, or real property to a charity in exchange for an agreed-upon annuity income for life.

These annuity agreements were commonplace until 1987, when a new Insurance Code was enacted. Upon enactment of this new Insurance Code, these types of annuity agreements were no longer validly issuable by charitable institutions, thereby eliminating an excellent source of gifts for Hawaii nonprofit organizations.

This bill would restore this beneficial, charitable contributions vehicle to Hawaii residents for Hawaii organizations. In light of the current economic climate with increased needs and scarce resources, your Committee believes that restoration of this opportunity for giving would encourage more charitable giving as well as build support for local service organizations rather than losing charitable dollars to the mainland.

Testimony in support of this measure was submitted by:

- (1) The Hawaii Community Foundation;
- (2) Punahou School;
- (3) The Honolulu Academy of Arts;
- (4) The Castle Medical Center;
- (5) The Kapiolani Health Care Foundation;
- (6) The Prudential Insurance Company of America;
- (7) The Ronald McDonald House-Hawaii;
- (8) Mid-Pacific Institute; and
- (9) A member of the Hawaii Chapter of the National Society of Fundraising Executives.

The Hawaii Association of Domestic Life Insurers, the Insurance Commissioner, and the law firm of Goodwill Anderson Quinn and Stifel, submitted comments on 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. 3416 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 701-94 Consumer Protection and Commerce on H.B. No. 3427

The purpose of this bill is to preserve the integrity of the current provision which provides free no-fault motor vehicle insurance to beneficiaries of Medicaid by keeping individuals who presently do not qualify for free no-fault motor vehicle insurance from becoming eligible and permitting individuals who now qualify to continue their eligibility.

It is anticipated if the current Section 431:10C-407(b)(2)(A), Hawaii Revised Statutes (HRS), is not amended at the time Health QUEST is implemented, an estimated 11,500 additional households will become eligible for free no-fault insurance under the State's joint underwriting plan.

This measure would permit only individuals who receive financial assistance through the Department of Human Services (DHS) or benefits from the Social Security Administration to be eligible. Those individuals currently receiving free no-fault coverage will be "grandfathered" in when Health QUEST is implemented.

Your Committee received supportive testimony on this measure from the Insurance Commissioner and the Director of DHS.

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. 3427 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 Hiraki, Oshiro, Peters and Takamine.

SCRep. 702-94 Consumer Protection and Commerce on H.B. No. 3625

The purpose of this bill is to clarify the scope of chiropractic without increasing the range of practice undertaken by amending its definition, to reflect the realities of chiropractic as practiced around the world, as taught for many years in the chiropractic schools, and defined in the majority of state laws.

More specifically, this bill would define chiropractic to be:

- (1) The science of palpating and adjusting the articulations of the entire human body instead of just the spinal column; and
- (2) The use of any method or means for the diagnosis and treatment of disease in humans instead of just the treatment of disease.

The current statutory definition of chiropractic was enacted in 1925, and has not been updated since 1955. Many advances in the science have been made since then. Modern chiropractic training includes hundreds of hours in pathology, differential diagnosis, and radiology.

Your Committee finds that language pertaining to "the articulations" of the body clarify that the scope of chiropractic shall continue to pertain to the joints of the body.

Testimony in support of this bill was submitted by the Hawaii Board of Chiropractic Examiners, the Hawaii State Chiropractic Association, chiropractors, and private citizens.

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. 3625 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 Hiraki, Oshiro, Peters and Takamine.
(Representative Amaral voted no.)

SCRep. 703-94 Judiciary on H.B. No. 2735

The purpose of this bill is to require a registered lobbyist to sign an affidavit stating that the lobbyist knows, understands, and will abide by the lobbyist registration law.

The Democratic Party Grass Roots submitted testimony in support of the bill, and the Hawaii State Ethics Commission submitted testimony in opposition to the bill.

Your Committee believes this bill will reinforce the rules and regulations governing lobbyists in the State of Hawaii, and promote ethical behavior.

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. 2735 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 and Ishii-Morikami.

SCRep. 704-94 Finance on H.B. No. 3458

The purpose of this bill is to extend the pilot autonomy project for the community hospitals by:

- (1) Designating the Deputy Director of Community Hospitals as the Chief Procurement Officer for the community hospitals; and
- (2) Permanently exempting from competitive bidding requirements the Division of Community Hospitals of the Department of Health.

The Department of Health and the Department of Accounting and General Services testified in support of this measure.

Your Committee has amended this bill by deleting the permanent exemption from competitive bidding requirements for the Division of Community Hospitals and replacing it with a temporary exemption.

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. 3458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3458, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 705-94 Water and Land Use Planning and Energy and Environmental Protection on H.B. No. 2625

The purposes of this bill are to:

- (1) Establish a State policy designating the pig as a valued game mammal for subsistence purposes; and
- (2) Require that the pig shall be managed to provide hunting for the people in a manner that perpetuates the pig population.

This bill seeks a more balanced perspective regarding the importance of various forest resources. No one disputes the significance of endemic plant life. Indeed, there are laws that seek to ensure the survival of endemic plant life. At the same time, however, some priority should also be given to the traditional lifestyles of our people by providing some protection for the resources that they depend on. The pig is one such valued resource.

The following testified in support of this bill: the Wildlife Conservation Association of Hawaii; a concerned citizen of Hawaiian descent from Waimea; a Big Island resident; a Honokaa High School student; and a Keaau resident. The Department of Land and Natural Resources and the Nature Conservancy of Hawaii supported this bill with certain amendments. The Office of Hawaiian Affairs supported the intent of this bill. The Hawaiian Humane Society and the University of Hawaii Environmental Center submitted comments. The Sierra Club, Hawaii Chapter and the Hawaii Audubon Society opposed this bill.

After due deliberation, your Committees have amended this bill by:

- (1) Inserting language in the purpose section that recognizes the damage that pigs can cause to the environment, if improperly managed; and
- (2) Specifying that the pig should be managed as a valued game mammal for subsistence purposes where appropriate and where consistent with other laws and rules.

Your Committees are keenly aware of the concerns expressed by Big Island residents, many of whom depend on pig hunting not only for subsistence purposes, but also as a means to preserve their customs and traditions. Many Big Island residents, however, find themselves in a predicament:

- (1) Access to traditional pig hunting areas is being restricted; and
- (2) Pigs are being eradicated in certain areas.

To compound their dilemma, many of these Big Island residents are being forced to adjust to a new lifestyle brought on by the recent closures of sugar plantations along the Hamakua-Hilo Coast.

Passage of this bill represents one step that will recognize the needs of these Big Island residents as well as others throughout the State who depend on pig hunting for subsistence purposes. Recognition of the pig as a valued game mammal will enable these residents to continue their unique way of life.

As affirmed by the records of votes of the members of your Committees on Water and Land Use Planning and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2625, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2625, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Beirne, Herkes, Hirono, Tajiri and Takamine.

SCRep. 706-94 Consumer Protection and Commerce on H.B. No. 3312

The purpose of this bill is to correct an inadvertent omission in Act 247 of the 1993 legislative session. Act 247 created a mechanism by which members of the motor vehicle rental industry and the District Court could expeditiously handle parking citations received by lessees of motor vehicle rentals.

Your Committee heard testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA). Apparently, the issue arose in response to complaints from consumers that certain car rental companies were attempting to collect large sums from consumers who received parking citations on their rented vehicles and who had not paid the citations. DCCA testified that although Act 247 created an appropriate mechanism to handle the parking citations, it failed to provide a penalty.

Therefore, your Committee agrees that this measure will correct that inadvertent omission by amending the unfair trade practices section of Chapter 437D to include Section 437-17.5 (the number assigned to the section created by Act 247) in the list of practices prohibited by the section.

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. 3312 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 Hiraki, Oshiro, Peters and Takamine.

SCRep. 707-94 Consumer Protection and Commerce on H.B. No. 3305

The purpose of this administration bill is to authorize the Board of Osteopathic Examiners to issue temporary and limited licenses to qualifying osteopathic students who have been appointed to internships. The bill also designates an additional acceptable national qualifying examination for licensure.

Your Committee notes that the provision of limited and temporary osteopathic licenses will allow qualifying osteopathic graduate students to practice with supervision while fulfilling the internship necessary to qualify for full licensure.

The recognition of a new qualifying examination for licensure is necessary since the present Federation Licensing Examiners Examination (FLEX) will be discontinued in June, 1994.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs and from an osteopathic graduate student.

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. 3305 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 708-94 Consumer Protection and Commerce on H.B. No. 3274

The purpose of this bill is to require health insurance providers to permit their insureds to use the services of outside physicians, provided that the insureds pay the increases in cost if any.

Your Committee heard testimony in support of this bill from the Department of Health. The Department of Health, however, noted that this bill does not apply to health maintenance organizations or other managed care systems, and that this bill could be counter-productive to the development of such managed care systems. Hawaii Medical Services Association (HMSA) agreed with both points raised by the Department of Health. HMSA also noted that this bill would mandate a common practice of fee for service free choice health plans and preferred provider health plans. The Hawaii Federation of Physicians and Dentists also testified in support of this bill.

Your Committee heard testimony in opposition to this bill from Kaiser Permanente. Kaiser Permanente contended that this bill would disrupt the continuity of care provided by a health maintenance organization, and it noted that a study by the Legislative Auditor is required.

Your Committee agrees with the purpose and content 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. 3274 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 Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 709-94 Consumer Protection and Commerce on H.B. No. 3213

The purpose of this bill is to protect consumers by continuing the regulation of travel agencies.

More specifically, this bill changes the repeal date of Chapter 468L, Hawaii Revised Statutes, the law that regulates travel agencies, from December 31, 1994, to December 31, 2000.

The State Auditor (Auditor) testified that regulation of travel agencies is needed because unreliable travel agencies have caused consumers to suffer financial losses and have also failed to deliver services. According to the Auditor, a large number of consumer complaints have been made against travel agencies. In fact, in 1992, the Regulated Industries Complaints Office (RICO) of the Department of Commerce and Consumer Affairs (Department), received 166 complaints against travel agencies--the fifth highest among the 45 occupations under RICO's jurisdiction. These complaints included:

- (1) Failure to make refunds;
- (2) Engaging in unlicensed activities;
- (3) Failure to account for funds or property;
- (4) Engaging in dishonest, fraudulent, or deceitful acts; and
- (5) Engaging in unfair or deceptive trade practices.

RICO's investigations of these complaints have resulted in refunds to customers ranging from just under \$100 to nearly \$1900. The Department's Office of Administrative Hearings ordered travel agencies to pay approximately \$75,000 in restitution to consumers from January 1990 through January 1993, with over \$60,000 in additional claims still pending.

Testimony in support of this bill was submitted by the State Auditor, the Department of Commerce and Consumer Affairs, and the Hawaii Business League.

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. 3213 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 Hirono, Takamine and Tom.

SCRep. 710-94 Consumer Protection and Commerce on H.B. No. 3017

The purpose of this bill is to permit an injured claimant to continue to receive requested health care services during the pendency of a peer review organization decision.

Your Committee received testimony from the Hawaii Insurers Council, Hawaii Academy of Plaintiffs' Attorneys, the Department of Commerce and Consumer Affairs, and four private law firms.

Your Committee finds that the peer review organization process can take up to several months before a decision from the peer review organization regarding a requested treatment plan is rendered. Further, your Committee finds that injured claimants are entitled to receive health care services during this period in order to prevent the possible aggravation of injuries.

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. 3017 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 Hiraki, Oshiro, Peters and Takamine.
(Representative Herkes voted no.)

SCRep. 711-94 Consumer Protection and Commerce on H.B. No. 2599

The purpose of this bill is to provide that no rate increase shall be granted for telephone service unless all customers in the State have equal access to basic telephone service.

The Department of Commerce and Consumer Affairs and the Public Utilities Commission (PUC) submitted testimony in support of the intent of the bill, but opposed to the specific method by which the bill proposes to obtain equal telephone service access for all customers in the State. GTE Hawaiian Tel submitted testimony in opposition to the bill.

Upon consideration, your Committee has amended the bill by:

- (1) Deleting the provision precluding rate increases unless all customers in the State have equal access to basic telephone services; and
- (2) Adding a new subsection requiring the existing telecommunications provider to show cause to the PUC as to why the PUC should not grant a license to an alternative provider upon a determination that any area of the State has less than adequate telecommunications service.

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. 2599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2599, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 712-94 Consumer Protection and Commerce on H.B. No. 2238

The purposes of this bill are to amend the definition of:

- (1) "Natural medicine" to include various improved or manufactured substances which molecular structure is similar or identical to substances found in nature, and to prescription drugs contained in the traditional botanical pharmacopeia and national naturopathic formulary, not already prohibited by rule; and
- (2) "Naturopathy" to allow practitioners to administer substances by appropriate routes, including injection.

Your Committee finds that the language of the bill will reflect the current forms of substances presently regarded as natural medicine within the purview of a naturopath's use.

Testimony in support of this bill was received from the Board of Examiners of Naturopathy, the Hawaiian Society of Naturopathic Physicians, the Natural Health and Pain Relief Clinic, a private physician and a member of the community.

Testimony in opposition to this bill was received from the Hawaii Federation of Physicians and Dentists, the Hawaii Medical Association, and a private physician. Those testifying against this bill expressed concern that a naturopath's ability to use prescription drugs could jeopardize the public's safety since these drugs may cause significant toxicity and sometimes fatal reactions.

Your Committee shares the safety concerns of those opposing the bill. Accordingly, this bill has been amended by

- (1) Removing the authority to administer remedies using appropriate routes of administration, including injection;
- (2) Making technical, non-substantive amendments 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 H.B. No. 2238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2238, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 713-94 Finance on H.B. No. 3602

The purpose of this bill is to provide transitional assistance to the Hamakua community through the appropriation of funds for a variety of programs relating to health, economic development, communication, and employment training.

The Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Labor and Industrial Relations (DLIR) supported the intent of the bill, but emphasized that the appropriations should not replace the Administration's current priorities set forth in its proposed supplementary budget. In addition, supporting testimony was received from: the Hawaii Branch of the Hawaii State Employment Service, DLIR; ILWU Local 142; Hamakua Health Center; the Hamakua Task Force; the Family and Community Support Task Force; the Hamakua/North Hilo Agricultural Cooperative; the Pepeekeo Filipino Association; the Rural South Hilo Community Association; a Hawaii County Council member; the chair of the ILWU unit at Hamakua Sugar; and two concerned citizens.

Your Committee has amended this bill by:

- (1) Appropriating the unexpended balance of \$418,000 from Act 311, Session Laws of Hawaii 1993, for fiscal year 1994-1995 for the same programs identified in this bill;
- (2) Clarifying the descriptions of the programs to be funded;
- (3) Replacing the sum of \$3,300,000 appropriated with \$1 to facilitate further discussion on the funding necessary to carry out the purposes of this bill; and
- (4) 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. 3602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3602, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 714-94 Finance on H.B. No. 3024

The purposes of this bill are to:

- (1) Change the existing tax rates for the six categories of liquor to unspecified new rates; and
- (2) Repeal the liquor tax escalator clause which increases or decreases the gallonage tax rates based on fluctuations in price and volume.

Representatives from Case & Lynch, Anheuser-Busch Companies, and Coors Brewing Company submitted testimony in support of this measure. The Tax Foundation of Hawaii and the Department of Taxation submitted comments on 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. 3024 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 Tam and Ward.

SCRep. 715-94 Finance on H.B. No. 2590

The purpose of this bill is to authorize the issuance of general obligation bonds in accordance with constitutional requirements, and to declare that the total amount of principal and interest estimated and calculated for all bonds issued and outstanding will not cause the State's debt limit to be exceeded at the time of issuance.

This bill is intended to meet the requirements of Article VII, Section 13, of the Constitution of the State of Hawaii, which specifies that the Legislature must include a declaration of findings that the debt limit will not be exceeded by legislatively authorized general obligation issuances.

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

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. 2590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2590, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 716-94 Finance on H.B. No. 2284

The purpose of this bill is to prohibit state agencies from expanding an existing program or implementing a new program unless the agency is able to demonstrate that the program expansion or new program:

- (1) Is an appropriate function of state government; and
- (2) Cannot be implemented by the private sector in a more cost-effective manner.

Testimony in support of this bill was submitted by the National Federation of Independent Business-Hawaii; the United Public Workers, AFSCME, Local 646, AFL-CIO; and The Chamber of Commerce of Hawaii, while the Department of Budget and Finance submitted testimony in support of 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. 2284 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 Nekoba, Tajiri and Tam.

SCRep. 717-94 Consumer Protection and Commerce on H.B. No. 3369

The purpose of this bill is to define "merchant banking" and specify the activities that a "merchant bank" may engage in.

Testimony in support of this bill was submitted by the Native Hawaiian Chamber of Commerce. Comments by the Commissioner of Financial Institutions was also submitted.

The Native Hawaiian Chamber of Commerce explained that this bill would facilitate trade financing, or the lending of money to a contractual arrangement between a buyer and a seller. Trade financing allows these deals to occur, therefore allowing companies to expand their exports, create more jobs, and stimulate buyer demand and the economy.

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. 3369 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 718-94 Judiciary on H.B. No. 1258

The purpose of the measure, as originally received by your Committee, was to provide that property taken in eminent domain proceedings which were not put to a public purpose within a certain period of time would be offered to the original owner.

Your Committee received testimony from several attorneys and a private citizen in support of making whole those people whose property is being condemned.

Your Committee believes some action must be taken to assure that offers made to those whose land is being condemned are fair and reasonable.

The power of condemnation is one of the most awesome the people have granted to the State. As such, when it is used, your Committee believes that the landowner must not be put at a disadvantage when it comes to receiving fair compensation.

Therefore, your Committee has amended this measure by eliminating all of the contents of the present measure and substituting language which compels an award of attorney's fees to the defendant when the benefit to the defendant in the final result of the case exceeds five percent of the last written offer made by the plaintiff before the defendant hired an attorney; provided that:

- (1) The attorney's fees are limited to twenty-five percent of the difference, exclusive of interest, between the final judgment or settlement and the last written offer made by the plaintiff before the defendant hired an attorney; or
- (2) In the case of no written offer, the benefit shall be measured from the first written offer after the attorney is hired.

Your Committee believes that this provision will encourage the condemning authority to present fair and reasonable offers in all cases, thus facilitating early settlement of these cases, while not providing any windfalls to the defendant if the case proceeds but the final result is close to the written offer.

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. 1258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1258, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.
(Representatives Chun and Thielen voted no.)

SCRep. 719-94 Judiciary on H.B. No. 2928

The purpose of this bill, as originally received by your Committee, was to prohibit the sale or possession of fireworks, with certain exceptions.

Testimony in support of this measure was received by your Committee from representatives of the Police Department of the City and County of Honolulu and the Kokua Council for Senior Citizens. Testimony suggesting alternatives to this measure was received by your Committee from representatives of the Chinese Chamber of Commerce and the Legislative Information Services of Hawaii.

Your Committee finds that the current practice of county regulation of fireworks has been unworkable. Despite increased law enforcement, the recent holidays have seen no reduction in the use of dangerous fireworks.

Your Committee believes that statewide regulation of fireworks is the only means toward reducing certain forms of fireworks that are a danger to the community.

At the same time, your Committee remains aware of and wishes to accommodate the many persons who enjoy and participate in the traditional use of fireworks.

Therefore, your Committee has amended this bill by:

- (1) Eliminating all of the current language in this bill; and
- (2) Providing a comprehensive scheme to control the use of fireworks, and removing all control by the counties on this issue.

The new chapter set forth in this amended bill provides, in essence, that aerial fireworks and explosive devices exceeding the size and composition of a small firecracker are prohibited except for commercial use. The Department of Labor will issue licenses and permits and enforce the provisions of the new chapter. Times and dates for use of fireworks by the public are designated; liability for the parents of minors who use fireworks is defined; and various exceptions to the provisions of the act are included. Other provisions relating to license fees, permitted use, and other regulatory standards are included.

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. 2928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2928, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 720-94 Judiciary on H.B. No. 3167

The purpose of the bill, as received by your Committee, was to allow nonprivileged records to be disclosed as may be requested by a party to a complaint filed with the Hawaii Civil Rights Commission when a right to sue notice has been received or a civil action has commenced.

Your Committee received testimony in support of the measure from a representative of the Hawaii Civil Rights Commission.

Your Committee was concerned that use of the term "nonprivileged records" was unclear and did not give guidance as to which records could be released to the parties. Therefore, your Committee has amended the measure by listing the type of materials which may be released to the parties and those which should remain confidential to clarify the term "nonprivileged records."

In addition, technical, non-substantive amendments have been 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 H.B. No. 3167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3167, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 721-94 Judiciary on H.B. No. 3651

The purposes of this bill are to:

- (1) Provide that a cemetery or funeral trustee shall not be held responsible or liable for:
 - (a) The accuracy of the actuarial study;
 - (b) The accuracy of any audited financial statements prepared by accountants; or
 - (c) Any failure by the cemetery authority to transfer funds required to be transferred under Chapter 441, Hawaii Revised Statutes (HRS), to the trustee;

and
- (2) Specify that a trustee is entitled to reasonable compensation for services, as provided by law.

The Hawaiian Trust Company Ltd. submitted testimony in support of the bill, and the Department of Commerce and Consumer Affairs (DCCA) submitted testimony generally in support, with some suggested clarifying amendments. The Hawaii Allied Memorial Council submitted testimony in support of the provisions concerning trustee responsibility and liability for financial information, but in opposition to the provision concerning compensation for trustees.

Your Committee has amended this measure by adopting the clarifying amendments suggested by DCCA. Specifically, your Committee has:

- (1) Clarified that the audited financial statement referred to in Section 441-40(d) is that required by Section 441-24.5, HRS;
- (2) Clarified that the actuarial study referred to in Section 441-40(d) is that required by Section 441-24.6, HRS;
- (3) Included the pre-need funeral authority in the provision of Section 441-40(d) concerning transfer of trustee funds;
- (4) Added a new subsection requiring the trustee to provide notice to the Director of DCCA if the trustee has knowledge of any violation of Chapter 441, HRS; and
- (5) Made a technical, nonsubstantive amendment to correct a typographical error.

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. 3651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3651, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 722-94 Consumer Protection and Commerce and Judiciary on H.B. No. 3303

The purpose of this bill is to provide a legal remedy for consumers who buy used motor vehicles that turn out to be "lemons." The law requires dealers to provide consumers with written warranties covering specified parts. The duration of the warranties for the major mechanical parts of a motor vehicle is based on the age, sales price, and mileage of the vehicle. If a dealer is unable to repair the vehicle after a reasonable number of attempts, the consumer is entitled to a full refund.

Your Committees received testimony in support of this administration bill from the Department of Commerce and Consumer Affairs and from a consumer. The consumer expressed his frustration over having purchased a used car from a dealer, only to have it malfunction before it reached his home. The Hawaii Automobile Dealers Association submitted testimony providing a conditional support of this bill.

Your Committees noted that this bill provides long-needed consumer protection for used car purchasers in this State. Several other states have enacted similar legislation in recent years.

Your Committees have made the following amendments to the bill:

- (1) The warranty duration periods have been changed as follows:
 - (a) For a motor vehicle with less than twenty-four thousand miles, the warranty period has been decreased from ninety to sixty days; and
 - (b) For a motor vehicle with over twenty-four thousand miles but less than seventy-five thousand miles, a warranty period of thirty days or three thousand miles, whichever occurs first, has been provided;
- (2) The motor vehicle parts which must be covered under the warranty have been changed by:
 - (a) Deleting all parts that are not part of a motor vehicle's drive train other than the gaskets and seals of the drive train component; and
 - (b) Excluding four-wheel drive vehicles from the requirements of the proposed chapter; and
- (3) Making nonsubstantive technical changes for 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. 3303, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3303, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Amaral, Hiraki, Menor, Oshiro and Peters.

SCRep. 723-94 Water and Land Use Planning on H.B. No. 2913

The purposes of this bill are to:

- (1) Permit the concurrent processing of proposed amendments to a county general plan, community or development plan, or zoning map to permit the development of any housing project with an affordable housing component; and
- (2) Allow proposed amendments at the county level to be processed concurrently with a request to the State Land Use Commission to redesignate land that would permit the development of the same housing project.

The Department of Land Utilization of the City and County of Honolulu, the Office of State Planning, and The Chamber of Commerce of Hawaii supported this bill. Testimony generally supporting this bill was offered by the Land Use Research Foundation of Hawaii. The State Streamlining Task Force, the Hawaii Developers' Council, and the Hawaii Association of Realtors supported this bill on the condition that the provision restricting concurrent processing of proposed amendments to projects with affordable components be deleted.

Testimony in opposition to this bill was submitted by the Sierra Club, Hawaii Chapter, with the argument that concurrent processing should not be allowed for any housing project with a golf course.

Your Committee has amended this bill as follows:

- (1) Amending line 8 of Section 1 by replacing the word "when" by the word "if" in order to clarify that the county has the discretion to determine whether to accept for processing any amendment to a general plan, community or development plan, or zoning map; and
- (2) Adding language in Section 1 exempting the development of any housing project with a golf course from concurrent processing.

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. 2913, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2913, H.D. 3.

Signed by all members of the Committee except Representatives Beirne, Tajiri and Takamine.

SCRep. 724-94 Consumer Protection and Commerce and Judiciary on H.B. No. 2760

The purposes of this bill are to:

- (1) Amend the definition of "development tract";
- (2) Require that an applicant to purchase a houselot from the Housing Finance and Development Corporation qualify for the homeowner's real property exemption;
- (3) Require the applicant to be able to purchase the leased fee interest at a price equal to the fair market value, as determined by independent appraisal, plus costs that the lessee is expected to incur;
- (4) Disqualify an individual who files a false application;
- (5) Require disqualified applicants to reimburse the lessor an amount equal to twice the cost, per lot, incurred in defending against the fraudulent application;
- (6) Require the Housing Finance and Development Corporation to use an independent appraiser to determine fair market value; and
- (7) Allow the independent appraisal to be used as evidence in a subsequent eminent domain proceeding.

Your Committees heard testimony from members of the public in support of this bill. There are concerns that disincentives to filing false applications are required, applicants should be required to be eligible for homeowner's real property tax exemptions, and an earlier appraisal is necessary in order to make a determination on an applicant's qualifications for financing.

Your Committees also heard testimony in opposition to this bill from members of the public. The concerns raised in opposition to the intent of this bill are that the cost of an independent appraisal would increase the cost of conversion for the lessees, increased costs will render applicant less likely to qualify for financing, the double damages penalty for fraudulent applications may result in circuit court appeals of the administrative determinations of the Housing Finance and Development Corporation, and the admissibility of the independent appraisal may contradict Rule 408, Hawaii Rules of Evidence.

Your Committees find that a lessee who files an application which is false should be required to reimburse the lessor's cost of defending against the false application. However, your Committees feel that requiring double damages is unnecessary.

Accordingly, your Committees have amended this bill by:

- (1) Deleting Section 1 of the bill, amending the definition of "development tract";

- (2) Inserting the word "tax" to clarify that an applicant must qualify for a homeowner's real property tax exemption;
- (3) Deleting the requirement that the applicant be able to purchase the leased fee interest at a price equal to the fair market value, as determined by independent appraisal, plus costs that the lessee is expected to incur;
- (4) Requiring an applicant who files a false application to repay to the lessor only the cost, per lot, of defending against a false application, not twice the cost per lot;
- (5) Deleting the requirement that the corporation obtain an independent appraisal, and that the independent appraisal be admissible as evidence in a subsequent eminent domain proceeding; and
- (6) Making technical, non-substantive amendments for the purpose 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. 2760, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2760, H.D. 2.

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

SCRep. 725-94 Consumer Protection and Commerce and Judiciary on H.B. No. 2176

The purposes of this bill are to:

- (1) Expand the laws relating to procurement of petroleum products to include certain aviation fuels; and
- (2) Increase the allowable percentage of petroleum products which may be set aside by the Governor or the Governor's authorized representative from five percent to ten percent.

The Department of Transportation and the Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of this measure. Chevron Hawaii submitted testimony stating that it would support this bill only if the ten percent allowable set-aside is restricted to aviation gasoline and not all aviation fuels.

Testimony was also submitted by The Public Affairs Consultants-Hawaii who opposed this measure unless certain language in this bill is amended.

Upon careful consideration, your Committees have amended this bill by:

- (1) Amending Section 125C-21, Hawaii Revised Statutes (HRS), referred to in Section 2 of this bill to include aviation fuels used for emergency and essential intrastate air transport services, but excluding all other aviation fuels in the definition of petroleum products;
- (2) Amending Section 125C-23, HRS, referred to in Section 3 of this bill to provide that the purpose of the set aside system shall include the maintenance of public services, utilities, and transportation including emergency and essential intrastate air carrier services; and
- (3) Making technical, nonsubstantive revisions for 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. 2176, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2176, H.D. 2.

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

SCRep. 726-94 Consumer Protection and Commerce and Judiciary on H.B. No. 2419

The purpose of this bill is to permit psychologists to initiate an application to have individuals involuntarily admitted into a licensed psychiatric facility.

Testimonies in support of this bill were received from the Hawaii State Department of Health (DOH), the Hawaii Psychiatric Medical Association, Hawaii Medical Association, the Hawaii Psychological Association and numerous individuals. The DOH expressed certain concerns over the need for a medical evaluation at the hospital prior to psychiatric/psychological evaluation for involuntary admission to a psychiatric facility and for safeguards to be in place to preclude admission or transfer to a psychiatric facility if a medical examination reveals a physical illness that is beyond the scope of care available at a psychiatric facility.

Your Committees recognize that psychologists are qualified to evaluate psychiatric patients and therefore can make informed judgments about the level of danger to a patient's self or others. While not operating independently of physicians, psychologists can also make informed judgments regarding the need for involuntary hospitalization. Therefore, your Committees have amended the bill with the following changes:

- (1) Page 4, lines 19 through 20, deleting language permitting a psychologist to perform the emergency examination, but requiring that a physician perform the emergency examination before a psychiatrist or a psychologist does further evaluation;
- (2) Page 5, lines 4 through 5, deleting the ability of a psychologist to direct that the patient be hospitalized or transferred to a psychiatric facility without first having been examined by a physician in accordance with Section 11-93-22(c) of the Department of Health Administrative Rules and Regulations; and
- (3) Making other technical non-substantive corrections for purposes of clarity, consistency 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. 2419, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2419, H.D. 2.

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

SCRep. 727-94 Judiciary on H.B. No. 3400

The purpose of this bill is to amend Act 334, Session Laws of Hawaii 1991, which created the Commission for Performance Standards (Commission), to provide that the final report on performance standards adopted by the Commission be the final standard for Hawaii's public schools.

Testimony was received from the Board of Education (Board), the Hawaii State Commission on Performance Standards, the student member of the Hawaii State Commission on Performance Standards, and the Hawaii Business Roundtable.

Your Committee finds that the establishment of performance standards is within the purview of the Board.

Your Committee has amended this bill by:

- (1) Replacing the amendment to Section 4 of Act 334, which is found in Section 1 of this bill as received by your Committee, with the addition of a new section providing that the Board establish performance standards based on the final report of the Commission, provided that the Board shall review and modify the performance standards of the final report as the Board deems necessary to reflect the needs of public school students and the educational goals adopted by the Board; and
- (2) Deleting the sentence in Section 2 of Act 334, which is found in Section 2 of this bill as received by your Committee, to provide that the Commission set the performance standards of achievement expected of students in public schools and the means to assess educational achievement.

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. 3400, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3400, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Hirono, Ishii-Morikami and Oshiro.

SCRep. 728-94 Judiciary on H.B. No. 3255

The purpose of this bill is to facilitate the operation of solar electric cars in Hawaii. Currently, motor vehicle regulations classify certain solar electric cars as motorcycles due to their unique design. As a result, some electric cars are required to adhere to regulations that do not take into consideration the vehicle's safety features or unique motor characteristics. This bill will:

- (1) Exempt operators or passengers of vehicles that have a full body enclosed cab and a seat belt assembly or child restraint system from the safety helmet requirements;
- (2) Allow these vehicles to carry passengers under seven years of age; and
- (3) Exempt motorcycles or mopeds powered by electric motors from the requirements of using a muffler.

The High Technology Development Corporation, the County of Hawaii's Department of Research and Development, and Suntera testified in support of this bill. The Department of Transportation supported the intent of this bill and recommended certain amendments. The Department of Health opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting provisions relating to safety helmet as well as child passenger requirements as they apply to motor vehicles with full body enclosed cabs and seat belt assemblies or child restraint systems; and
- (2) Inserting a purpose section that describes the contributions that a solar electric car manufacturer may provide the Hamakua community in terms of new jobs.

Your Committee finds that this bill is necessary to ensure that the State continue to explore the potential benefits that solar electric car manufacturers may have on the Hamakua community as well as the State.

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. 3255, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3255, H.D. 2.

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

SCRep. 729-94 Judiciary on H.B. No. 598

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii that would change the status of the student member of the Board of Education from nonvoting to voting.

The Hawaii State Teachers Association, the Honolulu District School Advisory Council, a member of the Education Alliance, the student member of the California BOE, the Public Relations and Directory Chair of the Hawaii State Student Council (HSSC), the Maui District Representative of the HSSC, the Legislative Committee Co-chair of the HSSC, the First Vice President and the Student Council Treasurer of Radford High School, the current student member of the Board of Education, fifteen students from Hilo High School, one teacher and ninety students from Kapaa High and Intermediate School, and four students from Lahainaluna High School submitted testimony in support of the bill.

The Board of Education submitted testimony opposing the bill and the Department of the Attorney General submitted comments on the bill.

After carefully considering the testimony presented, your Committee finds that the students of Hawaii, through their representative on the BOE, deserve a voice in setting policy for Hawaii's educational system. Your Committee has amended the bill by:

- (1) Specifying that the student member will only be permitted to vote on matters before the BOE that concern policy, standards, or monitoring; and
- (2) Changing the phrasing of the ballot question 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 H.B. No. 598, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 598, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Hirono, Ishii-Morikami and Oshiro.

SCRep. 730-94 Finance on H.B. No. 3336

The purpose of this bill is to allow funds in the Center for Labor Education and Research Revolving Fund to be used to pay the compensation of the permanent staff at the University of Hawaii (UH) Center for Labor Education and Research.

Testimony in support of the bill was received from the UH Professional Assembly, International Longshoremen's and Warehousemen's Union Local 142, the President of the Hawaii State AFL-CIO, the Labor Education Advisory Council (Council), and two members of the Council. Your Committee received testimony in support of the intent of the bill from the UH, provided that the appropriation contained in the bill does not replace any of the UH Board of Regent's budget priorities. Testimony was also received from the American Federation of State and County Municipal Employees.

Upon consideration, your Committee has amended the bill by:

- (1) Deleting the appropriation contained in the bill; and
- (2) Making technical, nonsubstantive amendments for purposes of 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. 3336, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3336, H.D. 1.

Signed by all members of the Committee except Representative Tam.

SCRep. 731-94 Finance on H.B. No. 3443

The purposes of this bill are to:

- (1) Create an Occupational Safety and Health Training and Assistance Fund to provide occupational safety and health training programs; and
- (2) Require that a total of \$200,000 would be deposited annually into the Fund from fines, interest, and penalties collected as a result of violations to State law relating to occupational safety and health.

Testimony in support of the bill was submitted by the Department of Labor and Industrial Relations, the Hawaii Nurses' Association, and the National Federation of Independent Business. The Chamber of Commerce of Hawaii testified in support of the intent of the bill.

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. 3443, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3443, H.D. 1.

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

SCRep. 732-94 Finance on H.B. No. 2259

The purposes of this bill are to:

- (1) Establish a temporary Commission on Government Organization and Efficiency (Commission) to:
 - (a) Conduct a comprehensive review of state government's missions, goals, organization, and operations; and
 - (b) Make recommendations for administrative and legislative action necessary to improve the effectiveness of state government;
- and
- (2) Appropriate funds to defray the expenses of the Commission and to pay the compensation of the personnel authorized in the bill.

Testimony was received from the Administrative Director of the Office of the Governor, with recommendations for amendments to the bill.

Your Committee has amended the bill by:

- (1) Making the appointment of the members of the Commission by only the Governor;
- (2) Including in the composition of the Commission a representative of the non-profit community;
- (3) Allowing the Commission to solicit and accept assistance and services;
- (4) Requiring the Commission to hold hearings to encourage public input regarding government's missions, goals, organization, and operations;
- (5) Decreasing the number of days before the convening of the 1996 Regular Session that the Commission shall submit a final report to the Legislature; and
- (6) Making technical, nonsubstantive amendments for purposes of 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. 2259, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2259, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

SCRep. 733-94 Finance on H.B. No. 2851

The purpose of this bill is to provide grants-in-aid to each county for the creation or maintenance of career criminal prosecution units, the victim witness programs, and youth gang prosecution units.

The following testified in support of this bill: the Departments of the Prosecuting Attorney of the City and County of Honolulu, the County of Maui, the County of Kauai, and the County of Hawaii; the Hawaii State Commission on the Status of Women; the Hawaii State Coalition Against Sexual Assault; the Sex Abuse Treatment Center; and three concerned individuals.

Upon further consideration, your Committee has amended this bill by replacing each of the appropriations contained in the bill with the sum of \$1 for the purposes of continued discussion.

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. 2851, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2851, H.D. 2.

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

SCRep. 734-94 Finance on H.B. No. 3101

The purpose of this bill is to extend insurance coverage under the Hawaii Hurricane Relief Fund to condominium associations of apartment owners, cooperative housing corporations, and residential apartments.

The Hawaii Hurricane Relief Fund, the Hawaii Association of REALTORS, and the Owner's Management Corporation submitted testimony in support of the bill.

Your Committee has amended the bill by making technical, nonsubstantive amendments 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. 3101, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3101, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 735-94 Finance on H.B. No. 3135

The purposes of this bill are to:

- (1) Provide the Attorney General with the necessary resources to collect, store, disseminate, and analyze juvenile justice data; and
- (2) Establish six new permanent data processing positions and one permanent clerical position.

Testimony in support of this bill was submitted by: the Attorney General; the Department of the Prosecuting Attorney for the County of Maui; the Office of the Administrative Director of the Courts; the Office of the Prosecuting Attorney for the County of Kauai; the Office of the Prosecuting Attorney for the County of Hawaii; the Board of Senior Family Court Judges; the Juvenile Justice Information Committee; the Police Department of the City and County of Honolulu; the Police Department of the County of Kauai; the Police Department of the County of Hawaii; the Police Department of the County of Maui; the Hawaii State Commission on the Status of Women; a former Chairperson of the Juvenile Justice Information Committee; and a private citizen.

Your Committee has amended this bill by changing the appropriation to \$1 for the purpose of continued discussion.

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. 3135, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3135, H.D. 1.

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

SCRep. 736-94 Finance on H.B. No. 3158

The purpose of this bill is to establish a statutory income eligibility standard for chore services at the current federal poverty level of 133 percent.

The Legislative Chair for the Kokua Council for Senior Citizens submitted testimony in strong support of this measure. The Commission on Persons with Disabilities submitted testimony in support of this measure with an amendment. The State Planning Council on Developmental Disabilities submitted testimony in support of the intent of this measure. The Department of Human Services also submitted testimony.

Your Committee has amended the bill to maintain the authority of the Department of Human Services to establish income eligibility standards.

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. 3158, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3158, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 737-94 Finance on H.B. No. 3176

The purpose of this bill is to authorize the Board of Land and Natural Resources to modify or extend the term of industrial leases to the extent necessary to qualify the lease for mortgage lending or guaranty purposes.

The Department of Land and Natural Resources submitted testimony in support of this measure.

Your Committee has amended this measure by making technical, nonsubstantive revisions 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. 3176, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3176, H.D. 2.

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

SCRep. 738-94 Consumer Protection and Commerce on H.B. No. 2197

The purpose of this bill is to require proof of no-fault insurance and a motor vehicle registration by a person requesting shipment of a vehicle from one county to another county in the state.

Your Committee finds that requiring an owner to show proof of current vehicle ownership through no-fault insurance and a motor vehicle registration will help prevent the shipping of stolen motor vehicles. Your Committee also finds that, in certain circumstances, vehicle identification numbers may serve to provide additional safeguards against illegal transport, except that vehicles which have been repossessed or voluntarily surrendered to financial institutions should be exempted from the ownership verification requirements.

Testimony in support of the intent of this measure was received by the Hawaii Academy of Plaintiffs' Attorneys and the Hawaii Bankers Association (HBA). The HBA recommended that vehicles which have been repossessed or voluntarily surrendered to a regulated financial institution be exempted from this measure.

Your Committee also received testimony from the Police Department of the City and County of Honolulu and ADT Automotive Services, Inc., both of which recommended that clarifying language and additional exemptions be added to this bill.

Your Committee has amended this bill by:

- (1) Replacing the term, "all-terrain vehicles" with the term, "propelled vehicles" on line 3 of page 2 of Section 1 of this bill;
- (2) Substituting the required proof of "current motor vehicle registration" with proof of "certificate of ownership" in Section 1 of this bill;
- (3) Replacing subsection (b) of §286- , Hawaii Revised Statutes (HRS), with the requirement that a showing of the current certificate of ownership or a notarized bill of sale which references the vehicle identification number or serial number be presented prior to shipment of damaged or new unregistered vehicles;
- (4) Moving subsection (b) of §286- , HRS, as received by your Committee, to become subsection (c) of §286- , HRS;
- (5) Deleting the exemption regarding damaged vehicles and new unregistered vehicles in subsection (b) of §286- , HRS, as received by your Committee, and adding an exemption for repossessed vehicles or vehicles that have been voluntarily surrendered to a regulated financial institution; and
- (6) Making technical, non-substantive changes for purposes of consistency, 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. 2197, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2197, H.D. 2.

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

SCRep. 739-94 Consumer Protection and Commerce on H.B. No. 2234

The purpose of this bill is to permit pre-1987 graduates of naturopathy schools to qualify for licensure in naturopathy, provided that the naturopathy school from which they graduated was approved by the board prior to 1987 and has become accredited since that time.

Under the present law, a naturopathic licensee must have graduated from a naturopathy school that has received candidacy status with, or has been accredited by, an accrediting body recognized by the United States Department of Education. However, until 1987, there were no such schools. Accordingly, this bill is necessary to correct an inequity under the present law which significantly restricts licensure and, concomitantly, reduces access for persons seeking naturopathic health care.

Your Committee received testimony in support of this bill from the Board of Naturopathy and the Hawaiian Society of Naturopathic Physicians.

Your Committee has made a technical, nonsubstantive amendment to the bill for 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. 2234, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2234, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 740-94 Consumer Protection and Commerce on H.B. No. 2491

The purposes of this bill are to:

- (1) Clarify the current prescription drug laws by identifying who is authorized to dispense prescription drugs; and
- (2) Specify the contents of a written prescription for a prescription drug.

Your Committee heard testimony in support of this measure from the Hawaii State Department of Health and the Hawaii Pharmaceutical Association (HPA). According to the HPA, the responsibility of determining the validity of a prescription has rested solely upon pharmacists because existing law does not presently require prescribing physicians to adhere to the requirements of a valid prescription.

The bill has been amended to clarify that out-of-state practitioners also dispense drugs in accordance with Section 328-17.6, Hawaii Revised Statutes.

Technical, nonsubstantive corrections have also been made for purposes of clarity, consistency, 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. 2491, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2491, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Hirono, Oshiro, Peters and Takamine.

SCRep. 741-94 Consumer Protection and Commerce on H.B. No. 2605

The purpose of this bill is to establish a new class of liquor licenses for brewpub establishments.

More specifically, this bill, as received:

- (1) Prohibits brewpub licensees to manufacture not more than three thousand barrels of domestic malt beverages during the license year;
- (2) Authorizes brewpub licensees to:
 - (A) Either export or sell at wholesale not more than three thousand barrels of domestic malt beverages to resellers;
 - (B) Sell malt beverages on the licensee's premises for consumption on the premises;
 - (C) Sell at retail, in brewery-sealed packages, malt beverages manufactured on the licensee's premises; and
 - (D) Sell intoxicating liquor, regardless of source, to consumers for consumption on the manufacturer's licensed premises; and
- (3) Clarifies that licensed brewpub establishments be categorized as either a standing bar, or premises in which live entertainment or recorded music is provided; provided that facilities for dancing by patrons be permitted as provided by commission rule.

Supportive testimony was submitted by the Department of Finance of the City and County of Honolulu, and a concerned microbrewery customer. Comments by the Wholesale Liquor Dealers Association, the Liquor Dispensers of Hawaii, and the Retail Liquor Dealers Association were also submitted.

The concerned microbrewery customer testified that the establishment of brewpubs has created jobs and has had positive economic impact in the United States over the past decade. As a small business entity, brewpubs have one of the lowest percentage rates of failure nationwide. Further, brewpubs bring back the classic style of hand crafted malt beverages that were common place in cities and towns of America before prohibition.

While your Committee agrees that this bill represents a creative initiative to stimulate Hawaii's economy, your Committee noted concerns regarding the possible conflicts this bill, as received, may have with Chapter 244D, Hawaii Revised Statutes, the Liquor Tax Law.

Accordingly, your Committee has amended this bill as follows:

- (1) Clarifying that brewpub licensees are prohibited from selling malt beverages for retail;
- (2) Authorizing brewpub licensees to sell malt beverages in brewery-sealed packages to class 3, wholesale dealer licensee, or export no more than 3000 barrels of malt beverages; and

- (3) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

It is the intent of your Committee that licensed brewpub establishments not be considered as licensed cabaret establishments.

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. 2605, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2605, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Oshiro, Peters and Takamine.
(Representative Amaral voted no.)

SCRep. 742-94 Consumer Protection and Commerce on H.B. No. 2640

The purpose of this bill is to enable the State to better monitor the activities of hazardous waste brokers. This bill:

- (1) Defines "hazardous waste brokers";
- (2) Requires these brokers to obtain an identification number from the Department of Health (DOH); and
- (3) Further requires these brokers to file a notification with the DOH that includes, among other things, the location and general description of the hazardous waste handling activity, as well as a notarized written statement approving the activity of the broker.

According to the DOH, hazardous waste brokers are currently not regulated under federal regulations. As a result, the DOH has had difficulty in tracking and monitoring the existence and activities of this type of business.

The DOH and Unitek Environmental Services, Inc. supported this bill. TRIOD Promotions, Inc., a brokerage firm, submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the notification include a notarized written statement acknowledging the hazardous waste handling activity of the broker, and requiring the statement to be submitted by the owner, or owner's agent, of the facility or land to be used by the broker for hazardous waste handling activity; 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 Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2640, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2640, H.D. 2.

Signed by all members of the Committee except Representative Takamine.

SCRep. 743-94 Ocean Recreation and Marine Resources on H.B. No. 2279

The purpose of this bill is to amend Section 205A-2(c)(6)(B) and Section 205A-26(1)(D), Hawaii Revised Statutes (HRS), to bring the potential dangers of hurricane, wind damage, and storm surge under the jurisdiction of the Coastal Zone Management Program in reviewing development proposals.

Your Committee finds that the types of control hazard which subject areas where development is sought to be controlled should include the potential dangers of hurricane and strong winds. Your Committee further finds that the Special Management Area Guidelines omit dangers from wind damages and storm surges, as they relate to alterations to existing land forms and vegetation, and to the construction of buildings.

Section 205A-2(c)(6)(B), HRS, has been amended to read: (B) "Control development in areas subject to storm wave, tsunami, flood, erosion, hurricane, wind, subsidence, and point and nonpoint source pollution hazards;"

Section 205A-26(1)(D), HRS, has been amended to read: (D) "Alterations to existing land forms and vegetation, except crops, and construction of structures shall cause minimum adverse effect to water resources and scenic and recreational amenities and minimum danger of floods, wind damage, storm surge, landslides, erosion, siltation, or failure in the event of earthquake."

Supportive testimonies were heard from the Office of State Planning, the Building Industry Association of Hawaii, and the Sierra Club, Hawaii Chapter.

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 H.B. No. 2279 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, Apo and Beirne.

SCRep. 744-94**Finance on H.B. No. 2464**

The purpose of this bill as received is to extend the maximum length of a purchase of service contract from two to five years.

The Office of State Planning, the Hawaii Health and Human Services Alliance, and Family Support Services of West Hawaii submitted testimony in support of this measure.

Your Committee, upon further consideration, has amended the bill by inserting the contents of H.B. No. 3317, which includes the original purpose of H.B. No. 2464. During the hearing on H.B. No. 3317, the Office of State Planning, the Department of Accounting and General Services, the Department of Human Services, the Hemophilia Foundation of Hawaii, and the Advisory Council for Chapter 42D testified in support of the measure. The Alliance for Health and Human Services testified in strong support of the general principles in the bill.

As amended this bill:

- (1) Establishes a purchase of services staff within the State Procurement Office, with the responsibility for improving the efficiency and accountability of the purchasing and contracting process for health and human services;
- (2) Clarifies the role of the Advisory Council and the Executive Coordinating Council;
- (3) Establishes a planning function within the Office of State Planning to identify areas of needed change in purchased services;
- (4) Establishes "cost principles";
- (5) Clarifies that while performing an audit, unnecessary entry into the content of confidential provider-client records shall be prohibited;
- (6) Adds a definition of "contract administration" which includes timely payments;
- (7) Authorizes agencies to consult with interested organizations in the process of formulating requests for proposals, provided such meetings are announced in advance and are open to all interested organizations;
- (8) Provides for purchase of service evaluations on an "annual" basis; and
- (9) Changes the appropriation sum contained in the bill to \$1 for the purpose of further discussion.

Your Committee notes that the following concerns and suggestions for improvement, while not specifically referenced in the bill have been or will be incorporated in the purchase of service/grant-in-aid process:

- (1) Use of Attorney General "boilerplate" contracts to expedite the review and award process;
- (2) Restricting the reallocation of committed funds, particularly between islands, unless all affected providers are appropriately advised; and
- (3) Continued representation of consumers on the advisory council. While mandatory appointment of a consumer of services by each of the three appointing authorities has been necessarily deleted, "consumer" representation is still required in the bill and shall be the duty of the Governor to make such an appointment should this not be initially done by the Speaker of the House or the President of the Senate.

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. 2464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 745-94**Consumer Protection and Commerce on H.B. No. 3429**

The purpose of this bill is to amend the motor vehicle insurance laws to correct ambiguities and facilitate the administration of the law by:

- (1) Precluding unlicensed health care providers from making a claim for compensation;
- (2) Clarifying that a request for an independent medical examination is not a request for additional information; and
- (3) Preventing a passenger of a motorcycle from receiving no-fault benefits.

Your Committee received testimony generally in support of this measure from the Department of Commerce and Consumer Affairs (DCCA). The Hawaii Association of Plaintiff Attorneys, State Farm, and the Hawaii Insurance Council also submitted comments and recommended amendments to this bill.

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

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. 3429, as amended herein, and recommends that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as H.B. No. 3429, H.D. 1.

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

SCRep. 746-94 Consumer Protection and Commerce and Judiciary on H.B. No. 2192

The purpose of this bill is to prohibit the sale of cigarettes or other tobacco products in public or private health care facilities, including, but not limited to, hospitals, clinics, and physicians' and dentists' offices.

Your Committees received testimony in support of this bill from the Department of Health, the American Lung Association, the American Cancer Society, the Hawaii Medical Association, and a private individual.

It was noted that the Hawaii Revised Statutes currently prohibit smoking in both public and private hospitals, clinics, and offices of physicians and dentists. It is believed by the Committees that banning the sale of tobacco products in medical and clinical facilities could increase the likelihood of cleaner indoor air.

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. 2192, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Amaral, Ishii-Morikami, Menor, Peters and Takamine.

SCRep. 747-94 Judiciary on H.B. No. 2912

The purpose of this bill is to provide for a ninety-day time extension when considering housing construction requests in contested case proceedings, either upon:

- (1) Stipulation of all parties involved in the contested case proceeding; or
- (2) Determination by the state agency involved in the case proceeding.

Testimony in support of the bill was received from the Land Use Commission, the State Streamlining Task Force, the Hawaii Developers' Council, and the Hawaii Association of REALTORS.

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. 2912 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Amaral, Bunda, Herkes, Hirono, Ishii-Morikami and Takamine.

SCRep. 748-94 Judiciary on H.B. No. 3253

The purpose of this bill is to require annual certification of compliance with air pollution standards.

The Department of Health; Hawaiian Electric Company, Inc.; BHP Petroleum Americas (Hawaii) Inc.; and Public Affairs Consultants-Hawaii submitted testimony in support of the bill. All testifiers noted that this bill will make Hawaii's statutes consistent with the federal Clean Air Act Amendments of 1990.

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. 3253 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 749-94 Judiciary on H.B. No. 2294

The purpose of this bill is to correct technical errors in the statute governing the general powers and limitations of the counties. In particular, the bill:

- (1) Specifies that counties shall not have the authority to give or loan credit to or in aid of any person or corporation;
- (2) Clarifies that county ordinances shall not conflict with state statutes intended to be exclusive or uniform throughout the State; and
- (3) Makes other technical, nonsubstantive amendments.

The Chair of the Honolulu City Council testified in support of this bill, and the Chair of the Maui County Council offered comments on the bill. Your Committee agrees with the technical corrections in this bill.

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. 2294 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 750-94 Judiciary on H.B. No. 2642

The purpose of this bill is to require the Director of Health to consider:

- (1) The economic benefit to the violator, if any, from a water pollution violation;
- (2) Good faith efforts of the violator to comply; and
- (3) Other circumstances that may apply;

when imposing an administrative penalty for violation of water pollution statutes.

The Department of the Attorney General and the Department of Health (DOH) submitted testimony in support of this bill, noting that it will codify existing DOH policy and is consistent with federal policy as well. The Koolau Agricultural Co., Ltd. and Hawaiian Electric Company, Inc. also submitted testimony in support of this bill.

Your Committee agrees that those who violate state water pollution laws should not profit from the violation, and that the DOH should consider any profit when imposing penalties. Good faith efforts of the violator to comply also merit DOH consideration.

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. 2642 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 751-94 Judiciary on H.B. No. 2641

The purposes of this bill are to:

- (1) Require the Director of Health to consider:
 - (a) The economic benefit to the violator, if any, from an air pollution violation;
 - (b) Good faith efforts of the violator to comply; and
 - (c) Other circumstances that may apply;

when imposing an administrative penalty for violation of water pollution statutes; and

- (2) Clarify the law regarding procedures for a contested penalty.

The Department of the Attorney General and the Department of Health (DOH) submitted testimony in support of the bill, noting that it will codify existing DOH policy and is consistent with federal policy as well. The law firm of Goodsell Anderson Quinn & Stifel also submitted testimony in support of the bill.

Your Committee agrees that those who violate state air pollution laws should not profit from the violation, and that the DOH should consider any profit when imposing penalties. Good faith efforts of the violator to comply also merit DOH consideration.

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. 2641 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 752-94 Finance on H.B. No. 2357

The purpose of this bill is to provide an incentive that would enable state militia to more effectively recruit and retain personnel.

Your Committee received testimony in support of the bill from the State Adjutant General of the State Department of Defense; the Hawaii National Guard Enlisted Association; the Hawaii National Guard Family Support Groups; the Hawaii National Guard Association; the President of the Air National Guard Noncommissioned Officers Academy Graduates Association; the Chief Master Sergeant and Vice President of the Hawaii Air National Guard Chief and Senior Master

Sergeant's Council; and a Hawaii Army National Guard serviceperson. The University of Hawaii took no position on 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. 2357 and recommends that it pass Third Reading.

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

SCRep. 753-94 Finance on H.B. No. 3300

The purpose of this bill is to improve the administration of the procurement process by amending the Public Procurement Code (Code) and other statutory provisions to ensure compliance between and among the related chapters and sections.

Among other things, this bill:

- (1) Consolidates the preference for Hawaii products; printing, binding, and stationary work; recycled products, and software development business into a new part of the Code;
- (2) Adds two new parts to the Code establishing procedures for surplus property and inventory management;
- (3) Corrects a conflict in authority by deleting the Comptroller's authority over the centralized purchasing, inventory, equipment, and surplus property programs;
- (4) Allows for additional waivers from the requirements of the the Code;
- (5) Authorizes the Policy Office to issue interim directives until the rules can be completed; and
- (6) Removes the authority of approving requests for emergency procurements from the Chief Procurement Officers and authorizes the Governor to make such approvals.

The Department of Accounting and General Services and the Department of the Attorney General submitted testimony in support of the bill, with several recommendations to clarify, as well as to remedy, conflicting language in the Code.

Your Committee has amended the bill by:

- (1) Allowing cooperative purchasing between public procurement units and nonprofit human service organizations;
- (2) Lowering the dollar threshold required for bid security to \$25,000 and requiring surety companies to be licensed;
- (3) Clarifying that contracts for expert witnesses for potential and actual litigation involving the State are exempt from the competitive bidding requirements;
- (4) Changing the effective date to July 1, 1994, to ensure that the amendments contained in this bill take effect when the bulk of the Code goes into effect; and
- (5) Making numerous technical amendments throughout the bill to correct drafting errors and for purposes of clarity, style, 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. 3300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3300, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 754-94 Finance on H.B. No. 172

The purpose of this bill is to reduce the number of uninsured motor vehicles in the State by, among other things:

- (1) Requiring the directors of finance of each county to verify whether motor vehicles have current no-fault policies; and
- (2) Establishing an on-line computer network and data base for verifying whether a motor vehicle has a current no-fault insurance policy, prior to any registration, renewal, or transfer of registration of the vehicle.

In addition, this bill provides for the expenditure of federal funds for fiscal year 1996-1997, for the purposes of this bill.

Your Committee received testimony in support of the bill from the Department of Commerce and Consumer Affairs, the City and County of Honolulu, and The Chamber of Commerce of Hawaii. Testimony in support of the intent of the bill was received from the Hawaii Academy of Plaintiff's Attorney's. Testimony was also received from the Hawaii Insurers Council and State Farm Insurance Companies.

Upon consideration, your Committee amended the bill by:

- (1) Requiring each insurer to input the name or designated code of the insurer, as well as the vehicle identification number, into the data base;
- (2) Adding that verification of insurance may also be obtained by receiving from the owner of the personal motor vehicle a written binder of insurance from an insurer licensed in this State;
- (3) Inserting language that this Act shall not apply to motorcycles or motor scooters; and
- (4) Making technical, nonsubstantive amendments 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. 172, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 172, H.D. 3.

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

SCRep. 755-94 Finance on H.B. No. 979

The purpose of this bill is to reduce the amount of state and county contributions to the Public Employees Health Fund by reducing their contributions toward the monthly health insurance premiums of retired state and county employees who have served for less than twenty-five years.

Currently, the State and various counties are statutorily required to pay fifty percent of the premiums of retired employees with less than ten years of service. According to the Public Employees Health Fund, the State and various counties now pay one hundred percent of the premiums of retired employees with at least ten years of service.

The bill would revise the statutory State and county contribution amounts, as follows:

- (1)) No contribution to premiums for those with less than ten years of service;
- (2) Fifty percent of the premiums for those with at least ten but less than fifteen years of service; and
- (3)) Seventy-five percent of the premiums for those with at least fifteen but less than twenty-five years of service.

The Department of Personnel of the City and County of Honolulu submitted testimony in support of the bill if amended to make its provisions applicable to employees who retire after December 31, 1994, rather than those who are hired after January 1, 1995.

The United Public Workers and the Hawaii State Teachers Association opposed the bill because it would reduce benefits to certain retired employees.

The Hawaii Public Employees Health Fund (Fund) submitted testimony but took no position on the bill. As part of its testimony the Fund indicated that it would be unable to implement the bill until December 31, 1994, six months after the July 1, 1994, effective date of the bill.

Upon consideration of the testimony presented, your Committee has amended the bill as follows:

- (1) Made the provisions of the bill applicable to employees hired after July 1, 1996, rather than January 1, 1995;
- (2) Changed the effective date of the bill from January 1, 1995, to July 1, 1996;
- (3) Changed the statutory contribution amounts, as follows:
 - (a) No contribution to premiums for those with less than ten years of service;
 - (b) Forty percent of the premiums for those with at least ten but less than fifteen years of service;
 - (c) Sixty percent of the premiums for those with at least fifteen but less than twenty years of service;
 - (d) Eighty percent of the premiums for those with at least twenty but less than twenty-five years of service; and
 - (e) One hundred percent of the premiums for those with at least twenty-five years of service;
- (4) Clarified that those who are employees of the State or the various counties prior to the effective date of the bill are not affected by it; and
- (5) Made technical, nonsubstantive revisions 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. 979, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 979, H.D. 2.

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

SCRep. 756-94 Finance on H.B. No. 2005

The purpose of this bill is to clarify the Rental Housing Trust Fund program.

In particular, the bill:

- (1) Amends the definition of "nonprofit organization" to cite the specific tax sections from which the organization is exempt;
- (2) Allows the Rental Housing Trust Fund Commission (Commission), with the approval of the Legislature, to set the amount that may be used by the Commission for administrative expenses;
- (3) Clarifies certain provisions relating to the composition of the Commission, and the terms and appointments of the members of the Commission;
- (4) Gives the Commission the authority to enter into contracts with consultants, hire employees without regard to Chapters 76 and 77, Hawaii Revised Statutes, and to obtain the services of technical and support staff from the Department of Budget and Finance; and
- (5) Appropriates \$200,000 from the Rental Housing Trust Fund to fund the administrative expenses incurred by the Commission.

Your Committee received testimony in support of the bill, with suggested amendments from the Rental Housing Trust Fund. The Kokua Council for Senior Citizens also submitted testimony in support of the bill.

This bill has been amended by:

- (1) Allowing moneys from the Rental Housing Trust Fund to be used for capacity building of nonprofit housing developers; and
- (2) Making other technical, nonsubstantive amendments for 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. 2005, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2005, H.D. 2.

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

SCRep. 757-94 Finance on H.B. No. 2221

The purpose of this bill is to centralize and coordinate the efforts of law enforcement, social services, education and prevention programs, and legislative advocacy groups to address the problem of missing and exploited children by establishing a Clearinghouse Project within the Department of the Attorney General.

Testimony in support of the bill was submitted by the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Commission on the Status of Women, the National Center for Missing and Exploited Children, the Hawaii State Coalition Against Sexual Assault, the Sex Abuse Treatment Center, Hawaii Women's Political Caucus, the Hawaii State Association of Life Underwriters, Kailua Neighborhood Board No. 31, and fourteen individuals, most of whom related their efforts to recover their abducted children. The State Attorney General and the Office of Children and Youth supported the concept of the bill, with the exception of the appropriation.

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

- (1) Replacing the appropriation of \$141,704 with \$1 for the purpose of continuing discussion on the matter;
- (2) Creating the Clearinghouse Project in the Session Laws because it is not a permanent program;
- (3) Deleting the appropriation authorization for fiscal years 1995-1996 and 1996-1997; and
- (4) Making technical, nonsubstantive revisions for purposes of clarity, style, 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. 2221, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2221, H.D. 2.

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

SCRep. 758-94 Finance on H.B. No. 2450

The purposes of this bill are to appropriate funds for:

- (1) The development of a comprehensive management plan to prevent increased inputs of fresh water and pollutants into the area of shoreline impaired by algal blooms in Maui's offshore waters; and
- (2) Equipment and water analysis fees to develop a water quality monitoring program from which a baseline water quality condition may be established for the entire West Maui shoreline.

The Council Chair of the County of Maui testified in support of this measure. Testimony in support of the intent of the bill was also received from the Department of Health (DOH); however, DOH indicated that it cannot support any added funding during this time of fiscal constraint.

Your Committee has amended the bill by changing each of the appropriations contained in the bill to \$1 for the purpose of further discussion.

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. 2450, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2450, H.D. 1.

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

SCRep. 759-94 Finance on H.B. No. 2708

The purpose of this bill is to propose amendments to the Constitution of the State of Hawaii that will:

- (1) Repeal the current provision providing for two, at-large school board districts and specify that school board members shall be elected as provided by law; and
- (2) Restrict the powers of the Board of Education to policymaking only.

The Hawaii Business Roundtable submitted testimony in support of the bill. The Board of Education and the United Public Workers, AFSCME Local 646, submitted comments on the bill.

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. 2708, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2708, H.D. 2.

Signed by all members of the Committee.

SCRep. 760-94 Finance on H.B. No. 3106

The purpose of this bill is to direct the Department of Land and Natural Resources (DLNR) to exchange public lands located at Kapalama for private land located on the slopes of Mount Olomana.

This exchange is conducted pursuant to Act 348, Session Laws of Hawaii 1993, which established the Mount Olomana State Monument and authorized the acquisition of lands necessary for its protection.

The Office of State Planning submitted testimony in support of the bill, while the DLNR submitted testimony in support with some reservations. The legal representative of the owner of the private land at Olomana for which the public land at Kapalama will be exchanged submitted testimony in support of the bill.

Your Committee has amended the bill by making technical, nonsubstantive amendments 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. 3106, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3106, H.D. 3.

Signed by all members of the Committee.

SCRep. 761-94 Finance on H.B. No. 3151

The purpose of this bill is to preserve ordinary death benefits for public school employee members of the Employees' Retirement System who may not receive any salary during the interim period when transferring from a year round school schedule to a traditional school schedule.

The Department of Education and the Hawaii Government Employees Association submitted testimony in support of this measure. The Employees' Retirement System submitted testimony in agreement with the bill's intent.

Upon careful consideration, your Committee has amended this bill by 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3151, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3151, H.D. 1.

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

SCRep. 762-94 Finance on H.B. No. 3194

The purpose of this bill is to allow the Directors of Transportation and Budget and Finance to deduct from the State Highway Fund, the Airport Revenue Fund, and the Harbor Special Fund a central service fee, in an amount not to exceed five percent of the receipts and deposits in the respective funds.

The Department of Transportation submitted testimony in strong support of this measure. The Tax Foundation of Hawaii also submitted comments.

Your Committee has amended this bill by making technical, nonsubstantive amendments 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. 3194, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3194, H.D. 2.

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

SCRep. 763-94 Finance on H.B. No. 3451

The purposes of this bill are to establish the Public Utilities Commission Special Fund (Fund) for use by the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (Division) of the Department of Commerce and Consumer Affairs (DCCA) in the administration of regulatory laws pertaining to public utilities, motor carriers, and water carriers.

Among other things, the bill also:

- (1) Stipulates that on a quarterly basis, up to 25 percent of the proceeds in the Fund shall be allocated by the PUC to the Division, provided that the moneys are in accordance with appropriations by the Legislature;
- (2) Mandates that moneys appropriated to, received, and collected by the PUC that are not pledged, obligated, or required by law to be placed in any other special fund, be deposited into the Fund;
- (3) Requires the PUC to submit a report to the Legislature detailing all funds received and all moneys disbursed out of the Fund prior to the start of each regular session;
- (4) Requires that all moneys over \$1,000,000 remaining on balance in the Fund on June 30 of each odd-numbered year be lapsed into the general fund;
- (5) Increases the public utility fee and the motor carrier fee from one-eighth to one-fourth of one percent of gross income per year, to be deposited into the Fund; and
- (6) Authorizes each public utility to impose a surcharge to recover amounts paid resulting from the increase in the public utility fee until the conclusion of the public utility's next rate case, provided that the public utility refund all surcharge moneys and earned interest collected in addition to money paid to the PUC.

The PUC, the Division, and the Hawaii Transportation Association, testified in support of the bill. Your Committee also received testimony in support of the bill from Hawaiian Electric Company, Inc.; Hawaiian Electric Light Company; and Maui Electric Company; however, they indicated that they would not support an increase in the PUC fee if it were to generate revenues for the Fund in excess of the amounts necessary to adequately fund the operations of the Division and the PUC. Testimony in support of the intent of the bill was received from GTE Hawaiian Telephone Company Inc.

Upon consideration, your Committee has amended the bill by:

- (1) Increasing the allocation of moneys in the Fund to the Division from up to 25 percent to up to 30 percent;
- (2) Appropriating \$1,000,000 for fiscal year 1994-1995 to be deposited into the Fund to ensure continuous services by the PUC and the Division; and
- (3) Making technical, nonsubstantive amendments for 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. 3451, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3451, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 764-94 Finance on H.B. No. 3456

The purpose of this bill is to provide increased fiscal flexibility to the community hospitals.

The Department of Health submitted testimony in support of the bill.

Upon further consideration, your Committee has amended the bill as follows:

- (1) Clarified that the authorization for the Division of Community Hospitals to transfer special fund appropriations is exempt from allotment requirements;
- (2) Clarified that the Division, without the necessity of a public hearing, may:
 - (a) Reduce rates by not more than five percent;
 - (b) Increase rates by not more than five percent; and
 - (c) Establish new rates;

and

- (3) Made technical, nonsubstantive revisions 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. 3456, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3456, H.D. 2.

Signed by all members of the Committee.

SCRep. 765-94 Finance on H.B. No. 3466

The purpose of this bill is to increase the salary of the Chairperson of the Hawaii Paroling Authority to an amount set by the Governor within the range of \$72,886 to \$77,966 a year.

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

Your Committee has amended this bill by changing the amount to be appropriated from \$24,745 to \$1, and by 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3466, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3466, H.D. 2.

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

SCRep. 766-94 Finance on H.B. No. 3266

The purpose of this bill is to appropriate state funds to match federal moneys that are available to support the efforts of the Nonpoint Source Pollution Control Program being carried out under the federal Clean Water Act and Coastal Zone Act.

Testimony in support of this measure was submitted by the Department of Public Works of the City and County of Honolulu and the Natural Resources Defense Council. The Department of Health and the College of Tropical Agriculture and Human Resources of the University of Hawaii submitted testimony in support of the intent of this measure.

After free and open discussion, your Committee has amended this bill by:

- (1) Replacing the \$240,000 and \$100,000 appropriation amounts with \$1 for purposes of continued discussion; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3266, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3266, H.D. 2.

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

SCRep. 767-94 Finance on H.B. No. 3506

The purpose of this bill is to appropriate funds for:

- (1) A grant-in-aid to the Honolulu Police Department to support their portion of the "No Hope in Dope" program, specifically for:
 - (a) School/community projects;
 - (b) A van; and
 - (c) Travel expenses;

and

- (2) The Department of Public Safety's portion of the "No Hope in Dope" program, specifically for:
 - (a) Adult corrections officers positions;
 - (b) A van; and
 - (c) Equipment, supplies, and travel expenses.

Testimony in support of this measure was submitted by the Department of Public Safety; the Honolulu Police Department; the Principal of Waimanalo Elementary & Intermediate School; the Principal and Vice-Principal of King Intermediate School; a Drug Awareness Educational Assistant at King Intermediate School; four student counselors at King Intermediate School; a School Health Aide at King Intermediate School; and an eighth grade teacher at King Intermediate School.

Your Committee has amended this bill by making technical, nonsubstantive amendments 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. 3506, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3506, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 768-94 Judiciary on H.B. No. 2553

The purpose of the bill is to authorize the Department of Health to adopt rules, regulations, and protocols permitting the rapid identification of adult persons who are terminally ill and have instructed in their declaration not to be resuscitated.

Testimony in support of the intent of the bill was received by your Committee from representatives of the Executive Office on Aging, the Department of Health of the State of Hawaii, and the Department of Health of the City and County of Honolulu.

Your Committee believes that if a terminally ill person does not want to be resuscitated, then his or her wish should be honored. This measure will allow emergency service personnel, under direct physician control, to provide comfort and support to terminally ill patients while allowing a death with dignity.

Your Committee has amended the measure by:

- (1) Clarifying in Section 1 that the uniform methods for identification includes only patients who have a valid declaration, have been certified by their physician, and have instructed in their declaration not to be resuscitated; and
- (2) Deleting Section 3 as unnecessary.

In addition, technical, nonsubstantive changes have been 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 H.B. No. 2553, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2553, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 769-94 Judiciary on H.B. No. 3290

The purpose of this bill is to amend Chapter 84 on Standards of Conduct, by opening the enforcement process of the State Ethics Commission to the public.

Your Committee received testimony in support of this bill from the Hawaii State Ethics Commission and the State Office of Information Practices.

Your Committee believes that the Commission's enforcement process should be more open. Your Committee also believes that the Commission should have the discretion to allow that certain records or proceedings remain closed.

Your Committee has amended this bill by:

- (1) Clarifying, in Section 1 of the bill amending Section 84-31(b), Hawaii Revised Statutes (HRS), that if an informal advisory opinion indicates probable cause that there has been a violation, the person charged shall request a formal opinion or comply with the informal advisory opinion;
- (2) Providing, in Section 1 of the bill amending Section 84-31(d), HRS, that a hearing be set on a charge and further statement of alleged violation if the commission finds that there is "clear and convincing evidence" of an ethics violation, rather than "reason to believe" that an ethics violation has been committed;
- (3) Providing, in Section 1 of the bill amending Section 84-31(d), HRS, that a hearing be open to the public, unless in the best judgment of the Commission, the hearing should be closed to the public; and
- (4) Providing, in Section 1 of the bill amending Section 84-31(e), HRS, that a decision of the Commission rendered after a hearing together with findings and the record of the proceeding shall be a public record, unless in the best judgment of the Commission it should remain closed to the public.

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. 3290, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3290, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 770-94 Finance on H.B. No. 1317

The purpose of this bill is to require the sellers of residential property to provide a written disclosure statement on the condition of the property to a prospective buyer.

The Real Estate Commission and the Hawaii Association of Realtors strongly support this measure. The Director of the Hawaii Real Estate Research and Education Center at the University of Hawaii presented testimony on his own behalf.

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

- (1) Removing the rule-making and other responsibilities of the Real Estate Commission;
- (2) Deleting the appropriations sections;
- (3) Deleting staffing authorization for the Department of Commerce and Consumer Affairs;
- (4) Providing penalties for violations; and
- (5) 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. 1317, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1317, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 771-94 Finance on H.B. No. 2241

The purpose of this bill is to authorize the Child Support Enforcement Agency to publicize in a "Most Wanted" poster, the names and photographs of child support obligors who are delinquent in support payments.

Testimony in support of this bill was submitted by the Hawaii State Commission on the Status of Women, the Sex Abuse Treatment Center, and the Hawaii Green Party, while the Department of the Attorney General submitted testimony supporting the bill's intent.

Technical, nonsubstantive amendments have been made 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. 2241, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2241, H.D. 2.

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

SCRep. 772-94 Finance on H.B. No. 3199

The purpose of the bill is to enable the University of Hawaii to increase the revenue to the Athletic Department by authorizing:

- (1) The University of Hawaii to display outdoor advertising on any scoreboard owned by the Stadium Authority;
- (2) The Stadium Authority to display outdoor advertising on any scoreboard owned by the University of Hawaii;
- (3) The Stadium Authority to display outdoor advertising on any scoreboard owned by the Stadium Authority; and
- (4) The University of Hawaii to display temporary outdoor advertising devices on any stadium it owns, with the exception of advertising for alcohol or tobacco products.

The University of Hawaii submitted testimony in support of the bill. The testimony underscored continuing efforts by the University's Athletic Department to generate additional revenues to upgrade women's sports to comply with federal gender equity requirements.

Your Committee finds that the way in which the bill was drafted may have inadvertently included two unnecessary provisions, specifically, (1) and (2) above.

Your Committee also finds that (3) codifies in statute an existing practice that has enabled the University to create a source of revenue. Currently, the statutes do not explicitly authorize outdoor advertising at Aloha Stadium. However, Section 445-112, Hawaii Revised Statutes, "grandfathers" outdoor advertising devices displayed on July 8, 1965. While Aloha Stadium had not yet been constructed at that time, the "grandfathering" of the outdoor advertising devices at the old Honolulu Stadium was transferred to Aloha Stadium.

The University of Hawaii and the Stadium Authority have entered into a contract providing revenue for the University when it successfully solicits advertising on the "Jumbotron" advertising device at Aloha Stadium.

Upon consideration of these and other matters, your Committee has amended the bill to delete items (1) and (2). In addition, technical, nonsubstantive amendments have been made 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. 3199, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3199, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho and Tajiri.
(Representatives Pepper and Ward voted no.)

SCRep. 773-94 Finance on H.B. No. 3421

The purpose of this bill is to reduce the cost of the Board of Agriculture's required monthly audit of milk processing plants by:

- (1) Eliminating the independent nature of the audit and eliminating the requirement for the immediate release of the audit upon completion;
- (2) Authorizing the Board of Agriculture to contract for an independent audit when certain conditions exist; and
- (3) Adding the definitions of various terms related to milk.

The Department of Agriculture testified in strong support of the bill. Your Committee also received testimony in support of the bill from the 50th State Dairy Farmers' Cooperative, members of the Big Island Dairy Cooperative, and a private citizen.

Your Committee has amended the bill by making technical, nonsubstantive amendments for 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. 3421, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3421, H.D. 1.

Signed by all members of the Committee except Representative Tam.

SCRep. 774-94 Finance on H.B. No. 3481

The purpose of the bill is to establish a Hawaii Wellness Industry Commission to advise and assist the Governor and Legislature on matters related to the development of a wellness industry in the State, including the preparation of a strategic plan.

The Department of Health, the Association for Interactive Multimedia Hawaii, the Hawaii Wellness Foundation, and the Chamber of Commerce of Hawaii testified in support of the bill. The Department of Business, Economic Development, and Tourism submitted comments on this measure.

Upon consideration, your Committee has amended this bill by:

- (1) Substituting the development of demonstration projects with the development of cooperative marketing as a function of the Commission; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, style, and conformity.

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. 3481, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3481, H.D. 3.

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

SCRep. 775-94 Finance on H.B. No. 3596

The purpose of this bill, as received by your Committee, is to establish a comprehensive insurance program for motor vehicles to be funded by additional fees, including a fee paid upon the purchase of gasoline for motor vehicles, an annual fee for each motor vehicle, and a fee for a driver's license. This "pay at the pump" measure establishes a Board of Directors to administer the program. The insurance coverage is required to be provided by one insurer or a consortium of insurers in each county through the award of a contract.

The Department of Taxation, the Hawaii Independent Insurance Agents Association, and the Insurers Council submitted testimony in opposition to the bill. The Hawaii Transportation Association submitted testimony in opposition to the concept of the bill since it proposes a fuel tax increase. The Insurance Division of the Department of Commerce and Consumer Affairs did not support the bill. The State Farm Insurance Companies submitted testimony expressing the belief that the bill would damage rather than improve the present automobile insurance system. The Tax Foundation of Hawaii submitted testimony expressing the opinion that this measure would do no more than expand government.

While the Hawaii Academy of Plaintiff's Attorneys supported the concept of using fuel taxes to fund auto insurance, it recommended a comprehensive study first to analyze the advantages and disadvantages of such a system due to the complexities of instituting it.

In consideration of the testimony presented, your Committee has amended the bill by removing its substance and replacing it with the creation of an advisory committee to investigate motor vehicle insurance laws and propose changes to reduce costs, reduce claims, reduce rates, increase the availability of motor vehicle insurance, and reduce the number of uninsured motorists. The members of the advisory committee would represent private insurers, consumers, service providers, and government regulating agencies. They would be appointed by the Governor from lists submitted by the Senate President and the Speaker of the House. The advisory committee would submit a report of findings, conclusions, and proposed legislation to the Legislature prior to the 1995 legislative session.

For purposes of continuing discussion on the matter, the amended bill appropriates \$1 to support the activities of the advisory committee.

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. 3596, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3596, H.D. 2.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 776-94 Finance on H.B. No. 1241

The purpose of this bill, as received, is to allow the University of Hawaii Board of Regents to adopt an alternate retirement plan for its employees.

Notwithstanding the contents of this bill, your Committee was concerned about the need to streamline State government. One way to begin this task was to evaluate the appropriateness of maintaining a large number of deputy directors in the Executive Branch. To publicly discuss this issue, your Committee scheduled a proposed House Draft 2 of this bill for a public hearing. This proposed draft deletes the provisions relating to the alternate retirement plan and amends Section 76-16, Hawaii Revised Statutes, by deleting the following twelve deputy director (which includes one administrative assistant) positions:

- (1) One deputy director position from each of the following departments: the Department of Transportation; the Department of Human Services; the Department of Budget and Finance; the Department of Land and Natural Resources; and the Department of Taxation;
- (2) One administrative assistant to the Superintendent of Education;
- (3) Two deputy director positions from the Department of Business, Economic Development, and Tourism; and
- (4) Four deputy director positions from the Department of Health.

The following testified on the proposed draft: the Department of Human Services; the Department of Health; the Department of Business, Economic Development, and Tourism; the Department of Budget and Finance; and the Department of Education.

Upon further consideration, your Committee concurs that the number of deputy directors in the Executive Branch should be reduced. Accordingly, your Committee has amended the bill, as received, by deleting the substance and inserting new material to delete twelve deputy director positions as of January, 1995. As amended, this bill:

- (1) Incorporates all of the provisions of the proposed House Draft 2; and
- (2) Corrects 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. 1241, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1241, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 777-94 Finance on H.B. No. 2333

The purpose of this bill is to extend the life of the Convention Center Authority from June 30, 1995 to June 30, 1998.

Your Committee received testimony from The Chamber of Commerce of Hawaii in support of this measure. The Hawaii Visitors Bureau submitted testimony in support of the intent of this measure. The Convention Center Authority submitted comments on this measure.

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

- (1) Including a representative from the Hawaii Visitors Bureau, a representative from the Hawaii Hotel Association, and a representative from the Hawaii Convention Park Council as ex officio non-voting members on the Convention Center Authority; and
- (2) Making technical, nonsubstantive revisions 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. 2333, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2333, H.D. 2.

Signed by all members of the Committee.

SCRep. 778-94 Finance on H.B. No. 2366

The purpose of this bill is to better meet the needs of indigent persons for legal services by providing an additional source of funding for this purpose. This bill would:

- (1) Establish a surcharge of \$20 and \$10 for circuit court and district court filings, respectively; and
- (2) Earmark these funds for indigent legal service providers.

The following testified in support of this bill: the Hawaii State Commission on the Status of Women; the Hawaii Civil Rights Commission; the Native Hawaiian Legal Corporation; the Legal Aid Society of Hawaii; the Hawaii Bar Foundation; the American Civil Liberties Union of Hawaii; Hawaii Lawyers Care; the Domestic Violence Legal Hotline; the Young Lawyers Division of the Hawaii State Bar Association (HSBA); the Kualoa-Heeie Ecumenical Youth Project; Na Loio No Na Kanaka; the Protection and Advocacy Agency of Hawaii; HSBA; and five interested citizens. The Judiciary and two interested citizens submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Increasing the surcharge from \$20 to \$25 for filings in the circuit courts, and from \$10 to \$15 for filings in the district courts;
- (2) Deleting references to the Administrative Director's designee so that only the Administrative Director of the Courts shall administer the indigent legal assistance fund;
- (3) Clarifying that a \$25 surcharge shall be required for filings in family court; and
- (4) 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. 2366, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2366, H.D. 2.

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

SCRep. 779-94 Finance on H.B. No. 2631

The purpose of this bill is to clarify the State's policy in achieving its energy objectives by:

- (1) Ensuring, to the extent that new supply-side resources are needed, that the development or expansion of power systems maximize efficient technologies and are the least-cost energy supply option; and
- (2) Basing decisions of least-cost supply-side energy resource options on a reasonably comprehensive accounting of the long-term and the direct and indirect economic, environmental, social, cultural, and public health costs and benefits.

Testimony in support of this bill was submitted by the Big Island Electric Vehicle Association, while the Department of Business, Economic Development, and Tourism and the Office of State Planning submitted testimony in support of the bill's intent. The Life of the Land submitted comments on the bill.

After free and open discussion, your Committee has amended this bill by:

- (1) Clarifying the State's policy in achieving its transportation objectives by encouraging diversification of transportation modes and infrastructure to promote alternate fuels and energy efficiency;
- (2) Further clarifying the State's policy in achieving its energy objectives by supporting research and development of energy efficiency, load management, and other supply-side demand-side management programs, practices, and technologies;
- (3) Specifying the State's policy and objectives for facility systems with respect to telecommunications; and
- (4) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2631, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2631, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 780-94 Finance on H.B. No. 3153

The purpose of this bill is to amend the Homestead General Leasing Program established by Act 75, Session Laws of Hawaii 1986 by:

- (1) Eliminating the automatic repeal provision;
- (2) Specifying that qualified native Hawaiians may be awarded lots at up to thirty-five percent below market rates;
- (3) Specifying that the Department of Hawaiian Home Lands (DHHL) may offer lots to the general public only after giving preference to native Hawaiians at up to thirty-five percent below market rates; and
- (4) Making other technical, nonsubstantive amendments.

The DHHL submitted testimony in support of the bill, provided that the original language of the bill allowing rental at fair market value was retained. The DHHL noted that renting at 35 percent below market rates would not be beneficial to the trust, and that a program operating at a loss from the outset would most likely not be approved by Congress.

A private citizen submitted comments on the bill.

Your Committee has amended this measure by:

- (1) Deleting the provisions of the bill requiring the DHHL to lease lands to native Hawaiians at up to thirty-five percent below market rates; and
- (2) Making technical, nonsubstantive amendments for the purposes of consistency, clarity, and conformity to legislative drafting standards.

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. 3153, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3153, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 781-94 Finance on H.B. No. 3324

The purpose of this bill is to make permanent the provisions of the pilot project for the autonomous operation of Maui Memorial Hospital and Hilo Hospital.

Your Committee received testimony in strong support of the bill from the Department of Health. The Hawaii Government Employees Association testified in support of the intent and purpose of the bill.

Upon consideration, your Committee has amended this bill by:

- (1) Providing that waivers affecting labor relations and collective bargaining shall be granted following consultation or bargaining with the exclusive representative of the affected bargaining unit employees; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style, and to reflect the proper Ramseyer format.

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. 3324, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3324, H.D. 2.

Signed by all members of the Committee.

SCRep. 782-94 Finance on H.B. No. 3426

The purpose of this bill is to bring Hawaii's Insurance Code (Code) into compliance with the national minimum financial regulatory standards necessary for Hawaii to be accredited by the National Association of Insurance Commissioners (NAIC).

Among other things, this bill:

- (1) Establishes the risk-based capital formula for life and health insurance;
- (2) Requires insurers to file quarterly financial statements with the NAIC;
- (3) Clarifies application of the Code to certain captive insurance companies; and
- (4) Rescinds the provisions that would have repealed the Insurance Examiners' Revolving Fund.

The Hawaii State Association of Life Underwriters and the Department of Commerce and Consumer Affairs submitted testimony in support of this measure.

Your Committee has amended this measure by making technical, nonsubstantive revisions for the 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. 3426, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3426, H.D. 1.

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

SCRep. 783-94 Finance on H.B. No. 3428

The purpose of this bill is to enhance the administration of the Insurance Code by:

- (1) Removing a duplicative initial hearing option that may be requested at the outset of the appeal process while retaining the party's right to a formal hearing;
- (2) Providing the Insurance Commissioner (Commissioner) with flexibility in enforcing an insurer's annual filings;
- (3) Adding a penalty of \$100 to \$500 for each day that an insurer is delinquent in submitting the annual filings, audits, or other required documents;
- (4) Increasing the filing fee for accident and sickness policies from \$20 to \$50;
- (5) Enabling the Commissioner to hire personnel by using moneys from the No-Fault Administration Revolving Fund;
- (6) Changing the liability and medical payment coverage for motorcycles and motor scooters to make it consistent with the motor vehicle insurance laws amounts;
- (7) Providing policyholders affected by an approved workers' compensation rate filing to have adequate notice of the filing;
- (8) Clarifying the requirements a foreign or alien captive insurance company must comply with to become a Hawaii domestic captive insurance company;
- (9) Identifying the requirements a domestic captive insurance company must comply with before transferring to a new domicile; and

- (10) Giving voting rights to Hawaii Property Insurance Association board members who represent insurance agents and the public.

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Deleting the filing fee increases for accident and sickness policies for consistency;
- (2) Requiring that the amount of the certificate fee be in accordance with Chapter 415, Hawaii Revised Statutes, instead of \$300; 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. 3428, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3428, H.D. 2.

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

SCRep. 784-94 Finance on H.B. No. 2647

The purpose of this bill is to establish a comprehensive, statewide Environmental Education Program to develop environmentally-literate citizens, prepared to solve existing environmental problems, prevent new problems, and maintain a sustainable environment for future generations.

Testimony in support of this bill was submitted by the American Lung Association of Hawaii; the Hawaiian Electric Company, Inc.; the Hawaii Nature Center; Moanalua Gardens Foundation; the Hawaii Association of Conservation Districts; Atlantis Submarines Hawaii; Creative Environmental Communications; Hawaiian Earth Products, Ltd; the Hawaii Audubon Society; a geologist who has worked as an environmental professional; and several concerned citizens.

The Department of Land and Natural Resources submitted testimony in support of the intent of this measure. The University of Hawaii and an individual from the University of Hawaii Sea Grant Extension Service submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Replacing the \$100,000 appropriation with \$1 for purposes of continued discussion; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2647, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2647, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 785-94 Finance on H.B. No. 2731

The purpose of this bill is to increase public access and participation in the legislative process. This bill appropriates funds to provide for the broadcasting of floor sessions, committee hearings, and briefings via cable television to all counties in the State. Funds are specifically appropriated for:

- (1) The production and distribution of television broadcasts of the 1995 legislative session;
- (2) The installation of electronic hardware and equipment; and
- (3) Television sets for each public library in the State to be used for viewing broadcasts of legislative proceedings and other education programs.

The following supported this bill: Olelo: The Corporation for Community Television; Common Cause Hawaii; the League of Women Voters; the National Association of Retired Federal Employees (Hawaii State Federation of Chapters); the Education Alliance; Hawaii's Thousand Friends; Kokua Council for Senior Citizens; the Legislation Committee of the Democratic Party Grass Roots Conference; and a concerned citizen. The Hawaii State Public Library System expressed concerns about the administration of the program and infrastructure costs.

Your Committee has amended this bill by:

- (1) Requiring that the annual fees paid by cable operators be deposited into the general fund and be available for:
 - (a) The Hawaii Public Broadcasting Authority;

- (b) The development of public, educational, or governmental access facilities; and
- (c) Administrative purposes;
- (2) Deleting the appropriations for television sets in the public libraries;
- (3) Deleting references to the installation of electronic hardware and equipment being a part of the Capitol renovation program; and
- (4) 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. 2731, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2731, H.D. 2.

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

SCRep. 786-94 Finance on H.B. No. 2897

The purposes of this bill are to delete:

- (1) The repeal of the Natural Energy Laboratory of Hawaii Authority Special Fund; and
- (2) The authorization to expend moneys from the Fund for the design and construction of new facilities and the renovation of or addition to existing facilities.

The Natural Energy Laboratory of Hawaii Authority (NELHA) submitted testimony supporting the intent of the bill and requesting that the authorization to expend moneys from the Fund for facilities be restored. According to NELHA, without this change the normal lengthy state budgeting process would apply, and some types of necessary renovations cannot be predicted far enough in advance to be completed on a timely basis.

Your Committee has amended the bill by:

- (1) Retaining the authorization to expend moneys from the Fund for the design and construction of new facilities and the renovation of or addition to existing facilities; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and conformity.

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. 2897, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2897, H.D. 2.

Signed by all members of the Committee except Representative Tam.

SCRep. 787-94 Finance on H.B. No. 3093

The purpose of this bill is to create an Export Trading Companies Loan Program to encourage the development of export trading companies in Hawaii and to enable them to compete more effectively abroad.

To accomplish this purpose, the bill:

- (1) Authorizes the Department of Business, Economic Development, and Tourism to engage in certain activities, such as assessing the needs of export trading companies and providing loans to them;
- (2) Establishes a revolving fund as a mechanism for issuing these loans;
- (3) Specifies reasons for which export trading companies may receive loans;
- (4) Establishes certain conditions under which these loans may be made;
- (5) Establishes conditions and limitations that must be met for making matching loans;
- (6) Authorizes the establishment of an Incubator Program for fostering the development of export trading companies, which may consist of such activities as providing or subsidizing facilities; and
- (7) Appropriates \$1 for the purpose of continued discussion to implement the Export Trading Companies Loan Program, and authorizes appropriations for the Commerce and Industry Program (BED 102) in the General Appropriations Act of 1993 to be used for the Export Trading Companies Loan Program.

The Department of Business, Economic Development, and Tourism submitted testimony in support of the bill and suggested several amendments.

In consideration of these suggestions, your Committee has amended the bill as follows:

- (1) Enabled loans to be made when required as a match for all types of federal funds rather than only grants;
- (2) Clarified that working capital loans rather than short-term loans may be made to bridge the gap between the time when export trading companies must pay their suppliers and when they receive payment from their buyers;
- (3) Specified that the interest rate and fees are to be established as conditions of any loan;
- (4) Specified that a one-year period applies to the maximum loan amount of \$50,000; and
- (5) Made technical, nonsubstantive revisions 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. 3093, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3093, H.D. 3.

Signed by all members of the Committee.

SCRep. 788-94 Finance on H.B. No. 3301

The purpose of this bill is to allow the Attorney General, the Securities Commissioner, and the Director of the Office of Consumer Protection to, by contract, retain the services of attorneys for specific purposes.

The attorneys retained may be compensated:

- (1) On a fixed price basis;
- (2) On an hourly rate basis, with or without a fixed cap; or
- (3) Through a contingent fee arrangement specified in the contract and payable out of all sums the attorney recovers for the State by judgment, order, or settlement.

Testimony in support of this measure was submitted by the Attorney General and the Department of Commerce and Consumer Affairs.

Technical, nonsubstantive amendments have been made 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. 3301, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3301, H.D. 1.

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

SCRep. 789-94 Finance on H.B. No. 3325

The purpose of this bill is to enhance the efforts of the Department of Health to foster autonomy for the community hospitals by:

- (1) Authorizing the three largest community hospitals and the Division of Community Hospitals to retain attorneys to supplement legal services provided by the Attorney General's office; and
- (2) Authorizing the Director of Health to hire a maximum of seventy-five employees without regard to civil service law and exempt from the limitations of established compensation schedules and other compensation requirements.

The Department of Health testified in support of the bill.

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

- (1) Specified that any attorneys retained by the community hospitals or the Division of Community Hospitals shall be contracted rather than appointed by the Attorney General; and
- (2) Made technical, nonsubstantive revisions 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. 3325, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3325, H.D. 2.

Signed by all members of the Committee.

SCRep. 790-94 Finance on H.B. No. 3333

The purposes of this bill, as received by your Committee, are to:

- (1) Appropriate funds to establish a Self-Help Program or Owner-Builder Housing Program to replace the substandard homes in the Panaewa residential lots, units 3 and 4; and
- (2) Provide beneficiaries of the program the opportunity to act as owner-builders.

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

- (1) Deleting reference to the establishment of the program;
- (2) Reducing the total sum of the appropriation from \$4,000,000 to \$3,000,000 for fiscal year 1994-1995, to repair, remove, replace, and restore the homes in the Panaewa residential lots, units 3 and 4; and
- (3) Changing the source of funding from the general revenues of the State of Hawaii to the Hawaiian Home Operating Fund; and
- (4) Making technical, nonsubstantive amendments for purposes of 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. 3333, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3333, H.D. 2.

Signed by all members of the Committee.

SCRep. 791-94 Finance on H.B. No. 3365

The purpose of this bill is to establish and fund a Social Worker Licensing Program within the Department of Commerce and Consumer Affairs.

Testimony in support of the bill was received from the Dean of the University of Hawaii School of Social Work; the National Association of Social Workers, Hawaii Chapter; the Hawai'i Early Intervention Coordination Council; and several private citizens. Your Committee also received testimony from the Department of Health and the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee has amended the bill by:

- (1) Adding a July 1, 1994, effective date to reflect the appropriation contained in the bill; and
- (2) Making technical, nonsubstantive amendments for 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. 3365, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3365, H.D. 3.

Signed by all members of the Committee.

SCRep. 792-94 Finance on H.B. No. 3440

The purposes of this bill as received by your Committee are to, among other things, require:

- (1) The Director of Health (Director) to establish rules and fees to help support the functions of the Safe Drinking Water Program;
- (2) Fees established by the Director in paragraph (1) to be based on the quantity of water provided by public water systems to consumers; and
- (3) All moneys collected as fees to be deposited into the Environmental Management Special Fund (Fund).

The Department of Health submitted testimony in support of the intent of this bill. The Board of Water Supply of the City and County of Honolulu; the Tax Foundation of Hawaii; Ka Lahui Hawaii; the Department of Water Supply of the County of Maui; the Kokua Council for Senior Citizens; a member of the Steering Committee of the Community Council of the Spark M. Matsunaga Institute for Peace; and a former member of the State Groundwater Technical Advisory Committee submitted comments on this measure.

After free and open discussion, your Committee has amended this bill by:

- (1) Replacing the public water systems fee with a "Clean Water" surcharge on sewer service charges;
- (2) Ensuring that the moneys in the Fund will not be used for education, demonstration, and market development programs related to drinking water;
- (3) Authorizing the Director to do laboratory analyses for various purposes; and
- (4) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3440, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3440, H.D. 2.

Signed by all members of the Committee.

SCRep. 793-94 Finance on H.B. No. 3465

The purpose of this bill is to address the severely overcrowded correctional facilities in the State.

Specifically, this bill:

- (1) Increases the Corrections Population Management Commission from eight to nine members by adding a member who is an adult probation administrator of the Judiciary;
- (2) Appropriates funds for correctional facilities; and
- (3) Provides for two permanent social workers to provide adult parole supervision and counseling services.

Testimony was received from the Department of Public Safety, the Corrections Population Management Commission, and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee has amended this bill by:

- (1) Decreasing the appropriation sums contained in the bill to \$1, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 3465, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3465, H.D. 2.

Signed by all members of the Committee.

SCRep. 794-94 Finance on H.B. No. 3607

The purpose of this bill is to encourage the use of fuel-grade ethanol produced from locally-grown agricultural crops. This bill would:

- (1) Authorize the Director of Finance to issue revenue bonds in the sum of \$15,000,000 to construct ethanol production facilities;
- (2) Establish an ethanol production facilities revolving fund;
- (3) Appropriate funds to be paid into the ethanol production facilities revolving fund;
- (4) Direct the Governor's Agriculture Coordinating Committee to begin negotiation to develop ethanol production facilities in the State and to submit progress reports on the construction of these facilities; and
- (5) Establish ethanol content and use requirements for mid-grade or premium gasoline.

Both the Department of Business, Economic Development, and Tourism (DBEDT) and Energy Associates of Hawaii, Inc. supported this bill with specific recommendations for amendments.

Your Committee has amended this bill by:

- (1) Deleting provisions that would: establish an ethanol production facilities revolving fund; authorize the Director of Finance to issue revenue bonds; and appropriate funds to be paid into the revolving fund;
- (2) Deleting the purpose section;
- (3) Directing DBEDT, instead of the Governor's Agriculture Coordinating Committee, to negotiate for the development of ethanol production facilities and to submit monthly progress reports on the construction of these facilities;
- (4) Mandating the use of ethanol by requiring its inclusion in motor vehicle gasoline; and
- (5) Replacing the effective date of this measure from July 1, 1994, to January 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. 3607, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3607, H.D. 2.

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

SCRep. 795-94 Finance on H.B. No. 3609

The purpose of this bill is to authorize liquor commissions to establish reserve funds by requiring that fees less than ten percent in excess of the liquor license fee structure or a liquor commission's current budget may be kept for these purposes.

Currently, as financially autonomous agencies, the liquor commissions are prohibited from accumulating moneys from liquor license fees to meet unforeseen needs and must return or credit any excess moneys to licensees.

This bill will enable liquor commissions to utilize liquor license fees to meet unforeseen operational costs and to finance related projects.

The following testified in support of this bill: the Liquor Administrator and the Department of Finance, City and County of Honolulu; the Departments of Liquor Control, County of Hawaii, County of Maui, and County of Kauai; and the Retail Liquor Dealers Association.

Your Committee has amended this bill by increasing the amount of the annual reserve from ten to twenty percent.

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. 3609, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3609, H.D. 2.

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

SCRep. 796-94 Finance on H.B. No. 3630

The purpose of this bill is to extend the Hawaiian Sovereignty Advisory Commission and authorize it to hire special counsel.

The Office of Hawaiian Affairs, the Native Hawaiian Chamber of Commerce, and two private citizens submitted testimony generally supporting the intent of the bill.

The Office of the Lieutenant Governor; the Office of State Planning; the Chair of the Hawaiian Sovereignty Advisory Commission; a member of the Hawaiian Sovereignty Advisory Commission; the Hawaiian Civic Club of Honolulu; the Kia'aina of Ka Lahui Hawaii; the Chair of the Ka Lahui Political Action Committee; the Honolulu District of Ka Lahui Hawaii; Na Koa Ikaika; the Halawa Coalition; and four citizens of Ka Lahui Hawaii submitted comments on the bill.

Your Committee has amended the bill by making technical, nonsubstantive amendments to conform to legislative drafting standards.

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. 3630, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3630, H.D. 3.

Signed by all members of the Committee.

SCRep. 797-94 Finance on H.B. No. 2996

The purpose of this bill is to establish an Advisory Commission (Commission) on Workers' Compensation to perform an assessment of the current Workers' Compensation system and devise an action plan, including proposed legislation, to ensure that workers who sustain work-related injuries are compensated in a just and timely manner.

Testimony in support of the intent of this measure was submitted by the Department of Labor and Industrial Relations; the Hawaii Medical Association; the Building Industry Association of Hawaii; the Proactive Workers Task Group; and the Hawaii Insurers Council.

The National Federation of Independent Business-Hawaii and One Stop Door Shop Hawaii submitted testimony supporting the bill.

The Chamber of Commerce of Hawaii, ROSCHA Woodwork, Inc., Graham Builders, Inc., the Hawaii Nurses' Association, the Hawaii State Chiropractic Association, and the owner of a small business submitted comments on this measure.

After free and open discussion, your Committee has amended this bill by:

- (1) Allowing the Commission to convene when rates indicate that there may be problems with the system;
- (2) Making the qualification to serve on the Commission less confining, while clarifying that members are to be knowledgeable in a variety of aspects of the Workers' Compensation system;

- (3) Enabling the Commission to be staffed by the State Auditor, in addition to the Disability Compensation Division of the Department of Labor and Industrial Relation;
- (4) Enabling the Commission to be equipped with suggestions from administrators and regulators of the Workers' Compensation system as soon as possible; and
- (5) Making technical, nonsubstantive amendments for 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. 2996, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2996, H.D. 2.

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

SCRep. 798-94 Finance on H.B. No. 3327

The purpose of this bill is to affirm the State's commitment to providing quality health care to all people by:

- (1) Reorganizing the community hospitals as an Agency for Community Hospitals within the Department of Health, for administrative purposes only, to plan, construct, improve, manage, control, and operate public health facilities; and
- (2) Establishing a task force to develop a method for reorganizing the community hospitals as an Agency for Community Hospitals.

The Department of Health and Healthcare Association of Hawaii submitted testimony in support of this measure.

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

- (1) Deleting the provision that representatives from the Hawaii Government Employees Association and International Longshoremen's and Warehousemen's Unions be included on the Board of Health; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, 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. 3327, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3327, H.D. 3.

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

SCRep. 799-94 Finance on H.B. No. 3453

The purpose of this bill is to provide relief for hurricane victims.

Specifically, the bill will:

- (1) Expand the definition of "eligible property" as it relates to property located in apartments or condominiums;
- (2) Provide the Hawaii Hurricane Relief Fund (Fund) with the discretion to exempt certain mortgage transactions from the special mortgage recording fee when these exemptions are in the public interest;
- (3) Expand the advisory committees to include a representative from an insurance company who is knowledgeable about property insurance, an agent knowledgeable about property insurance, and a person trained as an escrow officer;
- (4) Exempt the adoption or amendments to the plan of operation of the Fund from the administrative procedures of Chapter 91, Hawaii Revised Statutes;
- (5) Increase the limit on revenue bonds from \$200,000,000 to \$400,000,000 to increase the claim paying capacity of the Fund; and
- (6) Specify that the special mortgage recording fee shall not apply to documents encumbering title by utilizing a negative pledge, and that documents recorded in both the regular system and the land court system shall be assessed only one special mortgage recording fee.

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

Upon consideration, your Committee has amended the bill by:

- (1) Including the Hawaii Property Insurance Association (HPIA) in the Fund and under the assessment of the Fund;
- (2) Allowing the Fund to exempt or defer, in whole or in part, the assessments of HPIA in the event the assessments place the solvency of the HPIA at risk; and

- (3) Making technical, nonsubstantive amendments for purposes of 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. 3453, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3453, H.D. 2.

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

SCRep. 800-94 Finance on H.B. No. 3430

The purpose of this bill is to establish regulations for Health Maintenance Organizations (HMO), including the following:

- (1) Requirements for application for a certificate of authority, which would allow an HMO to operate;
- (2) Permissible powers of HMOs;
- (3) Reporting requirements for HMOs;
- (4) Requirements for HMOs to provide information to enrollees or subscribers;
- (5) Protection against insolvency;
- (6) Authority of the Insurance Commissioner to examine any HMO;
- (7) Conditions which may enable the Insurance Commissioner to suspend or revoke a certificate of authority;
- (8) Confidentiality provisions; and
- (9) Required benefits.

The bill also includes the regulation of the rates of mutual benefit societies.

The Department of Commerce and Consumer Affairs submitted testimony strongly supporting the primary purpose of the bill. However, it recommended deleting confidentiality provisions related to Health Care Review Committees and exemption from liability for certain activities unrelated to the treatment of a patient. Kaiser Permanente and the Hawaii Medical Services Association also submitted testimony.

Upon consideration of the testimony presented, your Committee has amended the bill as follows:

- (1) Deleted the confidentiality provisions related to Health Care Review Committees and exemption from liability for certain activities unrelated to the treatment of a patient;
- (2) Added language to include facilities as admitted assets in the determination of net worth;
- (3) Deleted the provision regulating the rates of mutual benefit societies; and
- (4) Made technical, nonsubstantive revisions 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. 3430, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3430, H.D. 2.

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

SCRep. 801-94 Finance on H.B. No. 3463

The purpose of this bill is to fulfill the intent of Act 211, Session Laws of Hawaii 1989, by transferring the full-time security guards at the Diamond Head Complex from the the state Department of Defense to the Department of Public Safety to allow these employees to receive standardized training and establish a career ladder for future advancements.

The state Department of Defense, the Department of Public Safety, and the Hawaii Government Employees Association submitted testimony in support of this measure.

Your Committee has amended this measure by making technical, nonsubstantive revisions for the purposes of clarity, style, 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. 3463, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3463, H.D. 1.

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

SCRep. 802-94**Finance on H.B. No. 3644**

The purpose of this bill is to improve Hawaii's workers' compensation system by:

- (1) Prohibiting attorneys, health care providers, and surgeons from fee splitting and from referring employees to entities in which they have a financial interest;
- (2) Requiring concurrent resolutions requesting the State Auditor to assess the social and financial impact of legislative measures that could increase costs associated with compensation benefits;
- (3) Permitting the Department of Labor and Industrial Relations (DLIR) Appeals Board to award fees to employers who prevail in their appeals of health and safety law violations or citations;
- (4) Adding a new definition of "attending physician";
- (5) Amending the definition of "disability" by requiring that loss or impairment of a physical function must be determined by medical evidence supported by objective findings;
- (6) Excluding compensation for employees who:
 - (A) Wilfully injure themselves or others by the consumption of alcoholic beverages or by the unlawful consumption of controlled substances;
 - (B) Are injured in assaults or combats that are unrelated to the job;
 - (C) Are injured while engaging in voluntary recreational or social activities; and
 - (D) Develop a mental disorder not specifically and predominantly related to the job;
- (7) Exempting employers from furnishing medical care after their employees have attained maximum medical improvement;
- (8) Deleting the requirement for automatic adjustments to charges based on the Consumer Price Index;
- (9) Requiring the Director of DLIR to use primary guidelines in determining minimum charges for establishing reasonable fees for medical care, services, and supplies;
- (10) Providing that an employee with an existing permanent partial disability who is injured and suffers:
 - (A) Greater permanent partial disability;
 - (B) Permanent total disability; or
 - (C) Death;
 shall be paid an amount apportioned to the current injury by a physician in a rating evaluation;
- (11) Computing an employee's average weekly wages to be no more than the employee's hourly rate of pay multiplied by the average number of hours actually worked by the employee in a week during the period used for computation;
- (12) Increasing the penalty for default in payments of compensation by employers and insurance carriers to twenty percent;
- (13) Including restitution of benefits or payments for fraudulently claimed benefits;
- (14) Establishing the Occupational Safety and Health Training and Assistance Fund; and
- (15) Allowing employers, for violations that are not wilful or repeat, to provide training to affected supervisors and employees on how to achieve compliance with the violation, in lieu of paying the assessed penalty.

Your Committee received testimony in support of the bill from the Department of Personnel of the City and County of Honolulu; The Chamber of Commerce of Hawaii; the Maui Chamber of Commerce; the Kaua'i Chamber of Commerce; the Hawaii Business League; the Kaua'i Business Council; the Hawaii Insurers Council; the Hawaii Island Contractors' Association; various individuals representing the contracting and construction industries, the State Director of the National Federation of Independent Business; and the Hawaii Independent Insurance Agents Association.

Comments on the bill were submitted by the DLIR, the Building Industry Association of Hawaii, the Hawaii State Chiropractic Association; the Hawaiian Society of Naturopathic Physicians; the Hawaii Nurses' Association; the Hawaii Podiatric Medical Association; the Proactive Workers' Task Group; naturopathic physicians; ILWU, Local 142; the Coalition to Reform Obsolete Workers' Compensation Design; various private citizens, and numerous chiropractors and chiropractic patients.

Upon careful consideration, your Committee has amended the bill by deleting provisions of the bill that:

- (1) Prohibit attorneys, health care providers, and surgeons from fee splitting and from referring employees to entities which they have a financial interest;
- (2) Require concurrent resolutions requesting the State Auditor to assess the social and financial impact of legislative measures that could increase costs associated with compensation benefits;
- (3) Permit the DLIR Appeals Board to award fees to employers who prevail in their appeals of health and safety law violations or citations;
- (4) Add the new definition of "attending physician";
- (5) Amend the definition of "disability";
- (6) Exclude compensation for employees who:
 - (A) Wilfully injure themselves or others by the consumption of alcoholic beverages or by the unlawful consumption of controlled substances;
 - (B) Are injured in assaults or combats that are unrelated to the job; and
 - (C) Develop a mental disorder not specifically and predominantly caused by job-related conditions;
- (7) Exempt employers from furnishing medical care after their employees have attained maximum medical improvement;
- (8) Require the DLIR Director to use primary guidelines in determining minimum charges for establishing reasonable fees for medical care, services, and supplies;
- (9) Provide that an employee with an existing permanent partial disability who is injured and suffers:
 - (A) Greater permanent partial disability;
 - (B) Permanent total disability; or
 - (C) Death;
 shall be paid an amount apportioned to the current injury by a physician in a rating evaluation; and
- (10) Allow employers, for violations that are not wilful or repeat, to provide training to affected supervisors and employees on how to achieve compliance with the violation, in lieu of paying the assessed penalty.

Your Committee also made technical, nonsubstantive amendments for 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. 3644, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3644, H.D. 2.

Signed by all members of the Committee.

SCRep. 803-94 Finance on H.B. No. 3657

The purpose of this bill is to restructure the public school system to:

- (1) Ensure that the students' education is synchronous with society's transition from the industrial age to the information age;
- (2) Implement systemic reforms which make the students the focus of the school; and the community, school staff, and government agencies the supporting framework;
- (3) Provide for school-level initiative based upon first-hand knowledge of the student's needs, and decision-making in the best interests of the students; and
- (4) Empower the schools by increasing their autonomy and accountability to achieve the ultimate goal of creating excellence in our schools.

The Department of Personnel Services submitted testimony in support of this measure. The Hawaii Business Roundtable and the Hawaii State Teachers Association submitted testimony in support of the intent of this measure. The Office of Collective Bargaining and the Board of Education (BOE) submitted comments on this measure. The Hawaii Government Employees Association, submitted testimony in opposition of this measure.

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

- (1) Replacing the Office of Education with the Department of Education;

- (2) Deleting the provision that makes the Department of Education a separate entity independent of the executive branch;
- (3) Deleting Part II relating to Education Budget Responsibility;
- (4) Clarifying that personnel under school choice may remain in the current bargaining unit pursuant to Chapter 89, Hawaii Revised Statutes;
- (5) Stating that the school system budget shall be submitted by the Board of Education to the Governor instead of the Legislature;
- (6) Deleting from the BOE's general powers the authority to own and sell land;
- (7) Deleting the provision that the Superintendent of Education's salary shall be determined by the BOE;
- (8) Deleting early childhood education provisions;
- (9) Deleting the provision that authorizes the Superintendent of Education to appoint an assistant;
- (10) Deleting the section on schools in distress;
- (11) Deleting the section on reallocation of vacant positions;
- (12) Deleting the provision that the BOE shall have a status coequal with the Executive Branch, the Judiciary, and with the several counties for the purposes of the development of a position classification plan, the formulation of personnel rules, and the administration of the personnel systems;
- (13) Deleting all sections pertaining to budget flexibility;
- (14) Adding a severability clause; and
- (15) Making technical, nonsubstantive revisions for purposes of clarity, style, 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. 3657, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3657, H.D. 2.

Signed by all members of the Committee.

SCRep. 804-94 Finance on H.B. No. 2692

The purpose of this bill is to propose an amendment to Article X, Section 1, of the Constitution of the State of Hawaii to authorize the State to use the proceeds of special purpose revenue bonds to finance or assist early childhood education and care facilities provided to the general public by not-for-profit corporations.

The Office of Children and Youth 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. 2692, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 805-94 Finance on H.B. No. 2623

The purpose of this bill is to establish conditions under which a lessee of public lands, with a lease period of 65 years from the date of the original lease, may apply to the Board of Land and Natural Resources to extend the lease term to qualify for a mortgage.

The Department of Land and Natural Resources submitted testimony 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. 2623 and recommends that it pass Third Reading.

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

SCRep. 806-94 Consumer Protection and Commerce on H.B. No. 2639

The purpose of this bill is to allow the Director of Health to look into the past environmental record of a solid or hazardous waste permit applicant for the purpose of imposing conditions on the permit to be issued.

Your Committee received testimony from the Department of Health agreeing with the intent of the bill. The Sierra Club and Chevron U.S.A. testified in support of the intent of the bill, but suggest amendments. Public Affairs Consultants-Hawaii and Smolenski & Wooddell submitted comments on the 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. 2639, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Takamine.

SCRep. 807-94 Finance on H.B. No. 2730

The purpose of this bill is to establish the public access room of the Hawaii State Legislature (Legislature) as a permanent feature of state government.

More specifically, this bill:

- (1) Clarifies the functions of the public access room to include, among other things, the provision of legislative information, the use of computer terminals and copying machines, and other related services;
- (2) Authorizes the Legislature to hire staff for the operation of the public access room;
- (3) Requires the Legislature to provide suitable quarters for the public access room staff and the general public, and acquire necessary equipment, furniture, and supplies for the operation of the public access room; and
- (4) Appropriates \$1, for purposes of further discussion, to the Senate and the House of Representatives, respectively, for the public access room.

Supportive testimony was submitted by the Democratic Party Grass Roots; Ka Lahui Hawaii; the Hawaii Teamsters Local 996 PAC; the Kokua Council for Senior Citizens; the Outdoor Circle; Hawaii's Thousand Friends; Common Cause Hawaii; the American Association of Retired Persons; the Hawaii Audubon Society; 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. 2730, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 808-94 Finance on H.B. No. 2822

The purpose of this bill is to clarify tax law pertaining to insurers authorized to conduct business in Hawaii.

More specifically, this bill:

- (1) Requires real property title insurers to pay a tax of 4.265 percent of the risk premium received for policies issued on real property situated in Hawaii; and
- (2) Clarifies that the risk premium is the amount actually received by the insurer solely for the provision of coverage under the underwriting agreement or contract between the insurer and the underwritten title company.

The President of Security Title Corporation testified in support of the measure. The Department of Commerce and Consumer Affairs and the Tax Foundation of Hawaii also submitted testimony.

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. 2822, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 809-94 Judiciary on H.B. No. 2921

The purpose of his bill is to limit civil liability of persons sponsoring equine activities by defining the conditions under which such persons may be held liable for any injury or death to a participant.

Your Committee received testimony in support of the measure from a representative of Pony Express Tours as well as from several individuals who frequently work with horses.

Your Committee believes the approach adopted in the measure of providing the equine activity sponsor or equine professional with a rebuttable presumption of no negligence in situations in which the injury, damage, or death is caused by the inherent risk of the unpredictable nature of the equine is the proper approach in trying to keep horse-riding available for all to enjoy in Hawaii.

Your Committee notes that the bill does not include a provision requiring warning signs as to the inherent unpredictability of the horse, but believes that this issue is better left for future discussion after this bill become law. Then, the effects of this bill can be measured and the necessity of the signs can be better determined.

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. 2921, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hirono and Ishii-Morikami.

SCRep. 810-94 Finance on H.B. No. 2957

The purpose of this bill is to change the basis for the Department of Land and Natural Resources' (DLNR) appraisal of public lands for sale or lease from fair market value to income-generated value.

The Hawaii Farm Bureau Federation submitted testimony in agreement with the intent of this measure. The DLNR, the Office of Hawaiian Affairs, the Department of Hawaiian Home Lands, and the Hawaiian Electric Company also submitted testimony.

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. 2957 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 811-94 Finance on H.B. No. 3143

The purpose of this bill is to repeal the County Special Fund for payment of county contributions to the Employees' Retirement System.

Your Committee notes that the State Auditor has recommended that this Fund be repealed as it has been inactive for many years.

The Administrator of the Employees' Retirement System submitted comments on this measure and also concurred with the State Auditor's recommendation.

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. 3143 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 812-94 Finance on H.B. No. 3150

The purposes of this bill are to:

- (1) Specify that military justice training for the National Guard encompasses all of the provisions of Chapter 124A, Hawaii Revised Statutes; and
- (2) Require that members of the National Guard receive refresher training in military justice once every three years, instead of annually.

The Department of Defense submitted testimony 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. 3150 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 813-94 Finance on H.B. No. 3175

The purpose of this bill is to establish the Trail and Access Special Fund (Fund) within the Department of Land and Natural Resources to be used, among other things, for the development, management, and maintenance of trails and accesses under the Na Ala Hele Program.

This bill also provides that the Fund shall consist of moneys from:

- (1) All taxes collected under Chapter 243, Hawaii Revised Statutes, on nonhighway recreational fuel, or in the alternative, 0.3 percent of the fuel tax proceeds deposited into the highway fund;
- (2) Federal government grants;
- (3) Private contributions; and

(4) Legislative appropriations.

The Hawaii Audubon Society; the Sierra Club, Hawai'i Chapter; the Sierra Club, Oahu Group; and the Tri-Isle Resource Conservation and Development Council Inc., submitted testimony in support of this measure. The Tax Foundation of Hawaii and the Department of Land and Natural Resources submitted comments on 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. 3175 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tam.

SCRep. 814-94 Finance on H.B. No. 3197

The purpose of this bill is to establish a revolving fund to provide for the operation of a financially self-sufficient summer program by the University Laboratory School.

The University of Hawaii submitted testimony 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. 3197 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 815-94 Finance on H.B. No. 3329

The purpose of this bill is to clarify that all proceeds from the operation of any concession, vending machines, or other for-profit business enterprises in any State library facility shall be deposited solely into the Hawaii State Library Foundation Trust Fund.

Supportive testimony was submitted by the State Librarian and the Kokua Council for Senior 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. 3329 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 816-94 Finance on H.B. No. 3469

The purpose of this bill is to provide the Department of Public Safety with greater flexibility in the hiring of employees for the Correctional Industries Program.

More specifically, this bill:

- (1) Allows the Director of Public Safety to hire employees exempt from the civil service and compensation laws for the Correctional Industries Program; and
- (2) Clarifies that the foregoing provision shall not affect the earned benefits and privileges of tenured employees.

The Department of Public Safety submitted testimony 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. 3469 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tam.

SCRep. 817-94 Finance on H.B. No. 3502

The purpose of this bill is to appropriate funds for the establishment of a statewide information clearinghouse and electronic database for arts and cultural activities, sports events, ethnic festivals, and other special events unique to Hawaii.

Your Committee received testimony in support of the bill from the Office of Hawaiian Affairs, 'Olelo: The Corporation for Community Television, the Commission on Culture and the Arts of the City and County of Honolulu, Hawaii Craftsmen, Small Exhibition Space Association, Queen's Medical Center Auxiliary, The Image Foundation, and other private citizens. The Department of Business, Economic Development, and Tourism (DBEDT), and the Assistant Professor of Art at Kapiolani Community College testified in support of the intent of the bill. Testimony was also received from the Honolulu Academy of Arts, the Hawaii Literary Arts Council, the Professor and Dean of the University of Hawaii-Manoa Office of the Dean of Summer Session, and other individuals.

It is your Committee's intent that the appropriation contained in the bill be used for the dissemination of data and information accumulated by the DBEDT.

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. 3502, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tam.

SCRep. 818-94 Finance on H.B. No. 3585

The purpose of this bill is to provide guidance to the Public Utilities Commission (PUC) on factors to consider when deciding whether a public utility should construct new high-voltage transmission lines underground or aboveground.

The PUC; the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; and Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Light Company and Maui Electric Company submitted testimony 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. 3585, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tam.

SCRep. 819-94 Finance on H.B. No. 3600

The purpose of this bill is to assist employees or former employees of the Hilo Coast Processing Company and the Hamakua Sugar Company on the island of Hawaii by providing:

- (1) Low-interest loans for the payment of monthly mortgage loans;
- (2) State rental assistance funds and subsidies for tenants; and
- (3) A grant program to address critical infrastructure improvements.

The Hamakua Housing Corporation, the Rural South Hilo Community Association, and the Housing Committee Chair of the ILWU-Hawaii Division testified in support of this bill. The Housing Finance and Development Corporation supported the intent of this bill but could not support the appropriations.

It is your Committee's intent that the low-interest loans be secured loans.

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. 3600, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tam.

SCRep. 820-94 Finance on H.B. No. 2500

The purpose of this bill is to provide supplemental appropriations for the Executive branch by amending the General Appropriations Act of 1993 (Act 289, Session Laws of Hawaii 1993).

FINANCIAL AND BUDGETARY OVERVIEW

Hawaii entered the 1990s with a heightened awareness of the need for fiscal austerity. Socio-economic changes nationally and internationally placed a distressing set of strains on our State revenue and financial structure.

For two straight fiscal bienniums, your Committee had to contend with an uncertain economic future and the harsh realities of limited financial resources. When the Executive, Judiciary, and Office of Hawaiian Affairs (OHA) Budgets for the 1991-1993 fiscal biennium were developed, your Committee was constrained by financial woes triggered by the Persian Gulf War, the national recession, and changes in Japan's investment policies. In fashioning the 1993-1995 fiscal biennium Budgets for the Executive, Judiciary, and OHA, your Committee went through a financial wringer trying to deal with the devastating effects of Hurricane Iniki, the continuing national recession, a slowdown in tourism, increasing federal mandates to provide or expand public services without the concomitant federal dollar, and changes in foreign monetary and investment policies.

As discussions began in this, the second year of the 1993-1995 fiscal biennium, your Committee was given a "cautiously optimistic" economic picture. The national economy appeared to be rebounding, with a 2.9 percent economic growth rate in the third quarter of 1993, a 0.5 percent rise in the index of economic indicators, and a drop in the nation's unemployment rate to 6.4 percent. Moreover, the State Council on Revenues, after careful review in December of 1993, revised its projected growth rates upward for fiscal year 1993-1994 to 2.7 percent and for fiscal year 1994-1995 to 3.3 percent.

However, these favorable projections were tempered with concerns over the low tourism figures, the severe plight of the sugar industry, problems caused by the economic slump in Japan, reductions in federal military support, questions over

whether the current economic growth could be sustained, and the potential effects of the federal tax increases approved in August of 1993.

COMMITTEE DELIBERATIONS

Deliberations over the three Supplemental Budgets began at a time when the economic outlook was mixed: increased optimism nationally but continued uncertainty locally.

It was within this fiscal framework that your Committee faced the challenge of developing a financially responsible Budget. The goal of your Committee was to develop an essentially zero-growth Budget that controlled state spending while providing essential services and meeting important needs.

Carefully reviewing the supplemental requests proposed by the Governor, we took on the arduous task of reviewing in-depth the operations of the State government. Unlike the past wherein the second year of the biennium we reviewed only the Supplemental Budget request, the members of your Committee reviewed the base appropriation as well as the supplemental request. We did this to find new areas where operating costs could be cut to meet our zero-growth budget goal.

PRIORITIES: EDUCATION

Despite our fiscal woes, our first priority is education, and your Committee made every attempt to assist our students and public schools. We will do everything possible to fully fund our schools. Even though our budget goal is zero growth, education is critical to our future; that's why we will make every attempt to provide the Department of Education with its supplemental budget request.

Hawaii's future is tied directly to our quality of education. Our educational system must not only produce individuals with basic skills but also prepare them to adapt and respond to the changing needs and demands of today's global and interdependent world.

Better schools mean better citizens and a stronger Hawaii. We will put students first at every level of our school system. Hawaii's educational system must be designed to ensure educational opportunity and excellence, community involvement, collaboration, and life-long learning.

To inspire students to pursue a lifetime of learning, schools must be equipped with optimum resources to facilitate learning and to instill student creativity. Your Committee has provided \$2,750,000 to provide educational equipment, textbooks, musical instruments, and supplies; \$100,000 for equipment and supplies for forty-nine currently underfunded Parent Community Network Centers; \$366,000 for new textbooks in Neighbor Island schools; \$209,000 for equipment for a new school cafeteria at Hanalei Elementary School and King Kekaulike High School; and \$31,000 for a community-based pilot project to assist pregnant and parenting teens pursuing an education.

The condition of our schools is critical to learning. School construction must be cost-effective. It is not only necessary to provide more resources to meet the facility needs of Hawaii's students, but it is important to rethink and redesign systems that are responsible for constructing schools in such a way as to maximize existing resources.

The Legislature created the Educational Facilities Improvement Special Fund to provide \$90,000,000 each year for school facilities. However, your Committee finds that the Department of Education (DOE) spends less than \$55,000,000 each year for facilities and currently has over \$200,000,000 in authorized but unspent funds. Your Committee is concerned over the DOE's slow progress in improving its facilities.

Your Committee has therefore reprioritized the usage of these funds by eliminating \$36,550,000 from previously proposed appropriations that will not be utilized during the fiscal biennium 1993-1995. Instead of approving these CIP projects and watching the funds remain unspent, your Committee has redirected these funds to projects identified by the DOE as those that can be under construction immediately. This was done to provide the best possible facilities to Hawaii's students in a timely and efficient manner.

PRIORITIES: ECONOMY

1994 will be another difficult year for the economy. Hawaii continues to be subject to economic winds blowing on the U.S. Mainland, in the Pacific/Asia region, and throughout Europe. Once again, we face another uphill struggle in 1994 to regain a more stable and healthy revenue base. We need to do all we can to strengthen our economy and maintain our special quality of life.

The prospect of a national economic recovery is welcome news. Your Committee recognizes that the State lacks the fiscal and monetary powers to stimulate the economy the way the federal government can. As the national economy improves, our tourist industry is expected to attract visitors from the U.S. Mainland.

To compete successfully against other vacation destinations, your Committee has provided \$5,000,000 to allow the Hawaii Visitors Bureau to increase its advertising, public relations, promotion, and business marketing activities to bolster Hawaii's lagging tourist industry. Your Committee also realizes that Hawaii's competitive edge in this volatile industry lies in our people and our culture. To this end, a task force was established whose purpose would be to preserve, foster, and promote the aloha spirit among the people of Hawaii in general and among travel industry personnel in particular.

Furthermore, to ensure that residents as well as visitors to Hawaii enjoy a clean and healthy environment, programs such as the Natural Area Partnership Program for the cooperative management of private lands dedicated to conservation were supported to maintain and enhance our State's special natural qualities.

PRIORITIES: COMMUNITY NEEDS

While we strive to stimulate the economy, your Committee must grapple with the consequences of a weak economy. As jobs are eliminated or reduced, the number of persons in need of state assistance will continue to grow. The four emergency appropriation measures that were requested by the Governor for immediate passage by the Legislature to meet current public services stand as testaments to the clamor for enhanced public assistance. What makes it extremely difficult for your Committee is that the increases must still come from a revenue pie whose size has basically remained unchanged.

As a result of these critical funding shortages, your Committee has had to appropriate or authorize for the fiscal year \$2,165,690 for foster care payments; \$17,503,807 for financial assistance payments to qualified applicants and recipients; \$7,517,492 for Hilo Hospital and Maui Memorial Hospital; and \$140,000 for Hamakua Medical Center.

Upon careful review, your Committee has provided \$11,400,000 to address entitlement increases due to additional caseload and escalating benefit payments under the Aid to Families with Dependent Children Program, \$2,400,000 to address entitlement increases due to additional caseload and escalating benefit payments, and \$4,800,000 to provide early intervention and family based services to families at risk and to improve federal reimbursement and claims for eligible clients.

As Hawaii continues to grow and our society becomes more complex, our families are constantly tested by the stresses of daily living. We recognize the difficulties of living in our changing community. We have provided \$1,200,000 for additional positions to meet the U.S. Department of Justice mandates regarding staff ratios at Hawaii State Hospital, and \$2,056,000 to open a new 32-bed residential facility to treat youth with moderate and severe mental problems.

Our families and citizens have the right to live free of fear. The amount of \$180,000 has been appropriated for software maintenance on the \$4,500,000 Automated Fingerprint ID system, and \$100,000 for the repair and maintenance of generators on loan from the Federal Emergency Management Agency.

Too many people are unable to find reasonably priced rentals and must therefore live in overcrowded circumstances or work second jobs just to afford a home. We will help facilitate and expedite the development of affordable rental housing by providing \$12,200,000 to assist in efforts to increase the availability of affordable housing for lower income households.

PRIORITIES: GOVERNMENT EFFICIENCY AND FINANCIAL RESTRAINT

In these changing times, we must be effective and efficient managers, responsive to public needs. Your Committee has worked to help streamline government and use its resources more efficiently. Through this bill and others, we will:

- * Call for increased utilization of existing special funds, rather than increase general fund expenditures;
- * Eliminate vacant or unnecessary positions through layoffs and position cuts and implement reforms to increase efficiency and responsiveness at all levels;
- * Require each state department to examine its operations carefully and execute a program aimed at evaluating and assessing all operations of State government to identify and create ways to increase efficiency, contain costs, operate within projected revenues, and save taxpayer dollars; and
- * Act cautiously in the authorization of general obligation bond financing and conserve general obligation credit to meet future needs.

CONCERNS

To ensure the fiscal integrity of the State, your Committee carefully deliberated on this Supplemental Executive Budget bill, as well as the Supplemental Judiciary and OHA Budget bills and all other bills that affect State finances. In these uncertain fiscal times, your Committee must act responsibly in meeting a wide range of pressing community needs and concerns. Your Committee willingly took on the difficult task of developing this Supplemental Executive Budget to provide the needed services and programs to the people, while ensuring the State's overall fiscal solvency.

The Budget that your Committee developed is a responsible one. We looked to the future by controlling the growth of government and spending so that the State can live within its means now and in the future. Through this measure and other measures reported out of your Committee, we made some tough choices to streamline State government and use our limited resources more efficiently and effectively.

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. 2500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1. and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 821-94

Finance on H.B. No. 2990

The purpose of this bill is to provide supplemental appropriations for the Judiciary by amending the Judiciary's Appropriations Act of 1993 (Act 277, Session Laws of Hawaii 1993).

FINANCIAL AND BUDGETARY OVERVIEW

Hawaii entered the 1990s with a heightened awareness of the need for fiscal austerity. Socio-economic changes nationally and internationally placed a distressing set of strains on our State revenue and financial structure.

For two straight fiscal bienniums, your Committee had to contend with an uncertain economic future and the harsh realities of limited financial resources. When the Executive, Judiciary, and Office of Hawaiian Affairs (OHA) Budgets for the 1991-1993 fiscal biennium were developed, your Committee was constrained by financial woes triggered by the Persian Gulf War, the national recession, and changes in Japan's investment policies. In fashioning the 1993-1995 fiscal biennium Budgets for the Executive, Judiciary, and OHA, your Committee went through a financial wringer trying to deal with the devastating effects of Hurricane Iniki, the continuing national recession, a slowdown in tourism, increasing federal mandates to provide or expand public services without the concomitant federal dollar, and changes in foreign monetary and investment policies.

As discussions began in this, the second year of the 1993-1995 fiscal biennium, your Committee was given a "cautiously optimistic" economic picture. The national economy appeared to be rebounding, with a 2.9 percent economic growth rate in the third quarter of 1993, a 0.5 percent rise in the index of economic indicators, and a drop in the nation's unemployment rate to 6.4 percent. Moreover, the State Council on Revenues, after careful review in December of 1993, revised its growth rates upward for fiscal year 1993-1994 to 2.7 percent and for fiscal year 1994-1995 to 3.3 percent.

However, these favorable projections were tempered with concerns over the low tourism figures, the severe plight of the sugar industry, problems caused by the economic slump in Japan, reductions in federal military support, questions over whether the current economic growth could be sustained, and the potential effects of the federal tax increases approved in August of 1993.

COMMITTEE DELIBERATIONS

Deliberations over the three Supplemental Budgets began at a time when the economic outlook was mixed: increased optimism nationally but continued uncertainty locally.

It was within this fiscal framework that your Committee faced the challenge of developing a financially responsible Budget. The goal of your Committee was to develop an essentially zero-growth Budget that controlled state spending while providing essential services and meeting important needs.

As a result, upon careful review, your Committee has provided no additional funding and did not restrict any funding.

CONCERNS

To ensure the fiscal integrity of the State, your Committee carefully deliberated on this Supplemental Judiciary Budget bill, as well as the Supplemental Executive and OHA Budget bills and all other bills that affect state finances. In these uncertain fiscal times, your Committee must act responsibly in meeting a wide range of pressing community needs and concerns.

The Budget that your Committee developed is a responsible one. We looked to the future by controlling the growth of government and spending so that the State can live within its means now and especially over the next few years. Through this measure and other measures passed out by your Committee, we made some tough choices to streamline state government and use our limited resources more efficiently and effectively.

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. 2990, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2990, H.D. 2,

Signed by all members of the Committee.

SCRep. 822-94 Finance on H.B. No. 2780

The purpose of this bill is to provide supplemental appropriations for the Office of Hawaiian Affairs (OHA) by amending OHA's Biennial Budget (Act 276, Session Laws of Hawaii 1993).

FINANCIAL AND BUDGETARY OVERVIEW

Hawaii entered the 1990's with a heightened awareness of the need for fiscal austerity. Socio-economic changes nationally and internationally placed a distressing set of strains on our State revenue and financial structure.

For two straight fiscal bienniums, your Committee had to contend with an uncertain economic future and the harsh realities of limited financial resources. When the Executive, Judiciary, and Office of Hawaiian Affairs (OHA) Budgets for the 1991-1993 fiscal biennium were developed, your Committee was constrained by financial woes triggered by the Persian Gulf War, the national recession, and changes in Japan's investment policies. In fashioning the 1993-1995 fiscal biennium Budgets for the Executive, Judiciary, and OHA, your Committee went through a financial wringer trying to deal with the devastating effects of Hurricane Iniki, the continuing national recession, a slowdown in tourism, increasing federal mandates to provide or expand public services without the concomitant federal dollar, and changes in foreign monetary and investment policies.

As discussions began in this, the second year of the 1993-1995 fiscal biennium, your Committee was given a "cautiously optimistic" economic picture. The national economy appeared to be rebounding, with a 2.9 percent economic growth rate in the third quarter of 1993, a 0.5 percent rise in the index of economic indicators, and a drop in the nation's

unemployment rate to 6.4 percent. Moreover, the State Council on Revenues, after careful review in December of 1993, revised its growth rates upward for fiscal year 1993-1994 to 2.7 percent and for fiscal year 1994-1995 to 3.3 percent.

However, these favorable projections were tempered with concerns over the low tourism figures, the severe plight of the sugar industry, problems caused by the economic slump in Japan, reductions in federal military support, questions over whether the current economic growth could be sustained, and the potential effects of the federal tax increases approved in August of 1993.

COMMITTEE DELIBERATIONS

Deliberations over the three Supplemental Budgets began at a time when the economic outlook was mixed: increased optimism nationally but continued uncertainty locally.

It was within this fiscal framework that your Committee faced the challenge of developing a financially responsible Budget. The goal of your Committee was to develop an essentially zero-growth Budget that controlled state spending while providing essential services and meeting important needs of Hawaiians and native Hawaiians.

As a result, upon careful review, your Committee has provided no additional funding, placed no funding restrictions, and did not delete positions.

CONCERNS

To ensure the fiscal integrity of the State, your Committee carefully deliberated on this Supplemental OHA Budget bill, as well as the Supplemental Executive and Judiciary Budget bills and all other bills that affect state finances. In these uncertain fiscal times, your Committee must act responsibly in meeting a wide range of pressing community needs and concerns.

The Budget that your Committee developed is a responsible one. We looked to the future by controlling the growth of government and spending so that the State can live within its means now and especially over the next few years. Through this measure and other measures passed out by your Committee, we made some tough choices to streamline state government and use our limited resources more efficiently and effectively.

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. 2780, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2780, H.D. 2.

Signed by all members of the Committee.

SCRep. 823-94 Health and Human Services on H.R. No. 60

The purpose of this resolution is to request that the Department of Health and the Department of Human Services coordinate their efforts to address the shortage of dental treatment services on the Island of Maui.

Proponents of this measure included the Department of Health, the Hawaii Nurses Association, the Office of Hawaiian Affairs, and the Tri-Isle Subarea Health Planning Council. The Department of Human Services deferred discussion on the matter to the Department of Health.

It is recognized by your Committee that Maui has a tremendous need for qualified dentists and dental services which currently is unmet. This need is evidenced by the fact that Maui consistently leads the state in baby bottle tooth decay, untreated dental caries among children ages 6-8, and in tooth decay prevalence among children ages 5-9. Furthermore, your Committee notes that Maui has fewer dentists per capita than the State as a whole or the Island of O'ahu.

In addition, it is understood that this effort to resolve the problems of accessibility, availability and affordability to the people of Maui would be a tremendous asset to the people of Maui and would also help to reduce the financial burden on the general public by eliminating the need to finance trips to Honolulu for dental work.

Accordingly, your Committee has amended this resolution by:

- (1) Including the Department of Human Services into the title of the resolution;
- (2) Removing inaccurate language regarding the State Health Insurance Program and Medicare; and
- (3) Deleting language which denied the Department of Health flexibility in its actions

Other technical non-substantive amendments were made for the purposes of clarity and style.

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 H.R. No. 60, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 60, H.D. 1.

Signed by all members of the Committees except Representatives Duldulao, Kawakami, Peters and Tanimoto.

SCRep. 824-94 Health and Human Services on H.C.R. No. 55

The purpose of this concurrent resolution is to request that the Department of Health and the Department of Human Services coordinate their efforts to address the shortage of dental treatment services on the Island of Maui.

Proponents of this measure included the Department of Health, the Hawaii Nurses Association, the Office of Hawaiian Affairs, and the Tri-Isle Subarea Health Planning Council. The Department of Human Services deferred discussion on the matter to the Department of Health.

It is recognized by your Committee that Maui has a tremendous need for qualified dentists and dental services which currently is unmet. This need is evidenced by the fact that Maui consistently leads the state in baby bottle tooth decay, untreated dental caries among children ages 6-8, and in tooth decay prevalence among children ages 5-9. Furthermore, your Committee notes that Maui has fewer dentists per capita than the State as a whole or the Island of O'ahu.

In addition, it is understood that this effort to resolve the problems of accessibility, availability and affordability to the people of Maui would be a tremendous asset to the people of Maui and would also help to reduce the financial burden on the general public by eliminating the need to finance trips to Honolulu for dental work.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Inserting the Department of Human Services into the title of the concurrent resolution;
- (2) Removing inaccurate language regarding the State Health Insurance Program and Medicare; and
- (3) Deleting language which denied the Department of Health flexibility in its actions

Other technical non-substantive amendments were made for the purposes of clarity and style.

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 H.C.R. No. 55, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 55, H.D. 1.

Signed by all members of the Committees except Representatives Duldulao, Kawakami, Peters and Tanimoto.

SCRep. 825-94 Human Services and Health on H.R. No. 22

The purpose of this resolution is to develop a comprehensive Family Center Program to be placed in the public schools.

Testimony from the Department of Human Services, Department of Health, and the Governor's Office of Children and Youth was received in support of this measure.

Testimony from the Department of Education was received in opposition to this measure.

Upon further consideration, your Committees have amended this resolution by:

- (1) Requesting the establishment of a demonstration family center project in a public school rather than a comprehensive family center program in the public schools;
- (2) Clarifying that existing resources will be used to develop the project;
- (3) Specifying that a two-step procedure will be used to develop the project, with the first step as the selection of the school at which the project will be based;
- (4) Adding the Department of Labor and Industrial Relations, the Office of Youth Services, and the Family Center Demonstration Project to the membership of the group that will develop the project;
- (5) Making discretionary rather than mandatory the inclusion of the services listed in the resolution;
- (6) Adding the Parent Community Networking Center Program as an avenue of encouraging parent involvement;
- (7) Revising the required substance of the report the Legislature will receive to include an inventory of the public schools interested in the model; and
- (8) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 22, as amended herein, and recommend that it be referred to the Committee on Education in the form attached hereto as H.R. No. 22, H.D. 1.

Signed by all members of the Committees except Representatives Kawakami, Peters and Tanimoto.

SCRep. 826-94 Human Services and Health on H.C.R. No. 26

The purpose of this concurrent resolution is to develop a comprehensive Family Center Program to be placed in the public schools.

Testimony from the Department of Human Services, Department of Health, and the Governor's Office of Children and Youth was received in support of this measure.

Testimony from the Department of Education was received in opposition to this measure.

Upon further consideration, your Committees have amended this concurrent resolution by:

- (1) Requesting the establishment of a demonstration family center project in a public school rather than a comprehensive family center program in the public schools;
- (2) Clarifying that existing resources will be used to develop the project;
- (3) Specifying that a two-step procedure will be used to develop the project, with the first step as the selection of the school at which the project will be based;
- (4) Adding the Department of Labor and Industrial Relations, the Office of Youth Services, and the Family Center Demonstration Project to the membership of the group that will develop the project;
- (5) Making discretionary rather than mandatory the inclusion of the services listed in the concurrent resolution;
- (6) Adding the Parent Community Networking Center Program as an avenue of encouraging parent involvement;
- (7) Revising the required substance of the report the Legislature will receive to include an inventory of the public schools interested in the model; and
- (8) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 26, as amended herein, and recommend that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committees except Representatives Kawakami, Peters and Tanimoto.

SCRep. 827-94 Human Services and Health on H.C.R. No. 21

The purpose of this concurrent resolution is to develop a Hawaii State Plan for Early Childhood Education and Care through the development of a temporary committee that would:

- 1) Prepare a Comprehensive Early Childhood Education and Care Master Plan for a coordinated system of management and governance of early childhood education and care in the State, and
- 2) Recommend a permanent public/private coordinating mechanism for the early childhood education and care system in Hawaii.

Testimony from the Governor's Office of Children & Youth, University of Hawaii, Hawaii Community Foundation, Hawaii Business Roundtable, and the Hawaii Association for the Education of Young Children was received in support of this measure.

Upon further consideration, your Committees have amended this measure by adding a "Be It Further Resolved" clause that will require the temporary committee to submit reports to the Governor and to the Legislature no less than twenty days prior to the convening of the Regular Session of 1995 and 1996.

It is noted by your Committees that this concurrent resolution in conjunction with the Executive Order will provide the necessary foundation upon which to build the statewide master plan.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 21, as amended herein, and recommend that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 21, H.D. 1.

Signed by all members of the Committees except Representatives Kawakami, Peters, White and Tanimoto.

SCRep. 828-94 Housing on H.C.R. No. 107

Your Committee is in agreement that a study of the establishment of a Department of Housing will provide information regarding the feasibility of consolidating the Hawaii Housing Authority, the Department of Human Services, and the Housing Finance and Development Corporation into one department. Your Committee is also in agreement that such action could result in improved housing planning, enhanced coordination of housing functions, and reduction in department overhead.

Your Committee recognizes the Governor's current effort to study the possibility of restructuring and reorganizing the State government and applauds the effort. Your Committee further recognizes the fact that this concurrent resolution should be included in the overall study because of the impact it could have on housing in the state of Hawaii.

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. 107 and recommends that it be referred to the Committee on Legislative Management and then to the Committee on Finance.

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

SCRep. 829-94 Health on H.R. No. 73

The purpose of this resolution is to urge the Department of Health to strengthen and develop its strategy and procedures for identifying and testing and providing follow-up on treatment for persons with tuberculosis.

Testimonies in support of this measure were received from the Department of Health and the Kokua Council.

It is noted by your Committee that tuberculosis is a disease that is rapidly increasing in epidemic proportions. This is true in the United States and is especially true in Hawaii with Hawaii having the second highest case rate in the nation. In Hawaii, tuberculosis continues to be an important health problem that needs attention.

It is also understood that many of the cases of tuberculosis occur among foreign immigrants because their countries do not require tuberculosis testing.

Furthermore, your Committee recognizes the fact that efficient, cost effective measures must be utilized to eliminate tuberculosis and stop its spread into the community.

Accordingly, your Committee has amended this resolution by:

- (1) Including language that states that untreated and undetected individuals hamper control efforts; and
- (2) Adding language which encourages the Department of Health to work with the U.S. Department of State and our congressional delegation to assure that individuals entering the United States with tuberculosis receive proper medical evaluation and necessary treatment; and
- (3) Adding language that requests the Department of Health to mount a vigorous educational campaign to inform persons of this major health problem; and
- (4) Requesting that the Department of Health reevaluate its control programs including the testing of foodhandlers for tuberculosis; and
- (5) Adding language to urge Hawaii's congressional delegation to request additional federal funding for tuberculosis programs; and
- (6) Including the members of Hawaii's congressional delegation as persons receiving copies of this resolution; and
- (7) Deleting language encouraging the Department of Health to develop effective ways of finding tuberculosis infected persons through testing (this was deleted because the problem seemed to be better addressed by the amendments made above as well as by the current practices of the Department of Health).

Other technical non-substantive 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 H.R. No. 73, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 73, H.D. 1.

Signed by all members of the Committee except Representatives Duldulao and Tanimoto.

SCRep. 830-94 Health on H.C.R. No. 77

The purpose of this concurrent resolution is to urge the Department of Health to strengthen and develop its strategy and procedures for identifying and testing and providing follow-up on treatment for persons with tuberculosis.

Testimonies in support of this measure were received from the Department of Health and the Kokua Council.

It is noted by your Committee that tuberculosis is a disease that is rapidly increasing in epidemic proportions. This is true in the United States and is especially true in Hawaii with Hawaii having the second highest case rate in the nation. In Hawaii, tuberculosis continues to be an important health problem that needs attention.

It is also understood that many of the cases of tuberculosis occur among foreign immigrants because their countries do not require tuberculosis testing.

Furthermore, your Committee recognizes the fact that efficient, cost effective measures must be utilized to eliminate tuberculosis and stop its spread into the community.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Including language that states that untreated and undetected individuals hamper control efforts; and
- (2) Adding language which encourages the Department of Health to work with the U.S. Department of State and our congressional delegation to assure that individuals entering the United States with tuberculosis receive proper medical evaluation and necessary treatment; and
- (3) Adding language that requests the Department of Health to mount a vigorous educational campaign to inform persons of this major health problem; and
- (4) Requesting that the Department of Health reevaluate its control programs including the testing of foodhandlers for tuberculosis; and
- (5) Adding language to urge Hawaii's congressional delegation to request additional federal funding for tuberculosis programs; and
- (6) Including the members of Hawaii's congressional delegation as persons receiving copies of this concurrent resolution; and
- (7) Deleting language encouraging the Department of Health to develop effective ways of finding tuberculosis infected persons through testing (this was deleted because the problem seemed to be better addressed by the amendments made above as well as by the current practices of the Department of Health).

Other technical non-substantive 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 H.C.R. No. 77, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representatives Duldulao and Tanimoto.

SCRep. 831-94 Health on S.B. No. 2834

The purpose of this bill is to preserve benefits and privileges of personnel in the Hawaii women, infants, and children (WIC) nutrition program whose positions have been converted to permanent civil service by Act 289, Session Laws of Hawaii 1993.

Testimonies in wholehearted support of this measure were received from the Department of Health and the Hawaii Government Employees Association.

Your Committee recognizes the importance of such an operation as WIC that provides nutritious foods, nutrition education, and breastfeeding promotion for over 24,000 individuals at medical risk. We believe this is a worthwhile program that should be supported by the establishment of permanent, full-time, civil service positions.

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. 2834, 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 and Tanimoto.

SCRep. 832-94 Health on S.B. No. 2875

The purpose of this bill is to appropriate funds to the Department of Health for additional ambulance units and increased ambulance services on Oahu.

Testimonies received from the Department of Health and the City and County of Honolulu, as well as various other concerned citizens and members of the House of Representatives, strongly supported the intent of this measure. However, given the State's fiscal climate for this year, the Department of Health could not support the funding at this time.

It was understood by your Committee that additional ambulance units are necessary to ensure a rapid response to life threatening emergencies, improve the patient survival rate, and continue to meet the emergency response guidelines.

Your Committee has amended this bill by changing the areas in which ambulance services would be increased to better reflect the areas where this increase would best be utilized and would be most beneficial.

Other technical, non-substantive 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. 2875, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2875, 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 Tanimoto.

SCRep. 833-94 Health on S.B. No. 2945

The purpose of this bill is to replace the requirement for premarital serologic testing for Rubella with a requirement for prenatal serologic testing for Rubella.

Proponents of this bill included the Department of Health and the Hawaii Medical Association.

Your Committee notes that currently, prenatal screening for Rubella is considered standard practice by the American College of Obstetricians and Gynecologists. It was also noted that prior to the introduction of a Rubella vaccine, Hawaii had well over 1000 cases of Rubella each year. However, as a result of immunization and premarital testing efforts, the current incidence rate of Rubella in Hawaii is 1 in 100,000.

Further, your Committee recognizes that this bill will identify the small number of women who are susceptible to Rubella and that all childbearing women will be screened and that appropriate immunization measures will be taken.

However, the Committee members voiced their concern regarding this issue. They felt that the policy of premarital testing for Rubella should be continued and noted that this would be a method of prevention because the prospective mother would be informed of her condition before her pregnancy which would help in preventing the spread of Rubella to her unborn child.

It was also pointed out by Committee members that Hawaii is home to numerous transient populations and that the children of these populations may not have had the opportunity to be immunized. Therefore, the women of childbearing age within these populations may harbor the Rubella virus and pass it on to their unborn child due to the lack of information given them. It was felt that premarital Rubella testing would help alleviate this problem.

Your Committee would also like to note that although the Department of Health felt that the number of women who carried the Rubella virus was small (about 5%), any percentage was too great.

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. 2945, 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 Representatives Arakaki and Tanimoto.

SCRep. 834-94 Health on S.B. No. 2946

The purpose of this bill is to authorize the Director of Health to create advisory committees within the Department of Health to advise health care workers who are infected with the Human Immunodeficiency Virus (HIV), the Hepatitis B Virus (HBV), and other blood borne pathogens concerning the risk of transmitting their infection to patients in the course of their work.

Testimonies in support of this bill were received from the Department of Health, the Hawaii Medical Association, the Hemophilia Foundation of Hawaii, the Governor's Committee on HIV/AIDS, and various other concerned groups and individuals.

Your Committee notes that while the transmission of HIV, Hepatitis B, and other blood borne pathogens by health care workers is rare, there is still a possibility that this can occur. Your Committee further notes that these diseases can be deadly and can be passed on to patients with which the health care worker comes into contact. It was realized by your Committee that a way to combat this in the health care field was to set up advisory committees made up of experts in disease transmission, as well as a physician and the workers peers. Through this committee, the health care worker could seek advice and guidance from the advisory committee and follow their recommendations while maintaining confidentiality.

Also, it was brought to your Committee's attention that Federal law requires each state to establish a mechanism to prevent transmission of these viruses by infected health care workers. The Department of Health stated that although the establishment of advisory committees would solve the Federal law requirement, many professionals had concerns about serving on these committees due to questions regarding liability. It was understood by your Committee that legislative authorization is needed in order that the committee members, made up of health care professionals serving in a voluntary capacity, may be indemnified.

Accordingly, your Committee has amended this bill by:

- (1) Adding language that maintains confidentiality by keeping committee meetings closed to the public; and
- (2) Making technical, non-substantive amendments for the purposes of clarity, consistency, 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. 2946, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2946, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tanimoto.

SCRep. 835-94 Tourism on H.R. No. 47

The purpose of this resolution is to request the Hawaii Visitors Bureau and its island chapters to establish a partnership funding formula that will more equitably distribute the burden for funding tourism marketing and promotion between the state and private members, and encourage the participation of smaller companies in funding promotions through recognition and other benefits.

Your Committee received testimony in support of this resolution from the Hawaii Visitors Bureau.

Your Committee finds that the present period of fiscal austerity requires cooperative funding for promotions in order to maintain Hawaii's presence in the increasingly competitive visitor market. Currently, small company members of the HVB remain an under-utilized funding resource for promotional campaigns. A partnership funding formula using greater incentives will encourage increased participation and allow the employment of greater financial resources for promotions.

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. 47 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 836-94 Tourism on H.C.R. No. 47

The purpose of this concurrent resolution is to request the Hawaii Visitors Bureau and its island chapters to establish a partnership funding formula that will more equitably distribute the burden for funding tourism marketing and promotion between the state and private members, and encourage the participation of smaller companies in funding promotions through recognition and other benefits.

Your Committee received testimony in support of this concurrent resolution from the Hawaii Visitors Bureau.

Your Committee finds that the present period of fiscal austerity requires cooperative funding for promotions in order to maintain Hawaii's presence in the increasingly competitive visitor market. Currently, small company members of the HVB remain an under-utilized funding resource for promotional campaigns. A partnership funding formula using greater incentives will encourage increased participation and allow the employment of greater financial resources for promotions.

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. 47 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 837-94 Tourism on H.R. No. 37

The purpose of this resolution is to request the Convention Center Authority to prepare a study recommending measures to mitigate the convention center's impact upon the transportation network of the surrounding area.

Your Committee received testimony in support of this resolution from the Convention Center Authority, the City and County of Honolulu Office of Waikiki Development, the Waikiki Improvement Association, and two concerned citizens.

Your Committee finds that conventions at the Aloha Motors location could add a considerable number of vehicles to the traffic grid of the surrounding area at peak times, and that the traffic intersections near the current convention center location already experience heavy congestion during peak periods. In examining the transportation network, the Convention Center Authority could also coordinate its work with the City and County of Honolulu's transportation analysis now in progress.

Your Committee revised this resolution by:

1. Changing the study to a plan;
2. Providing that the Convention Center Authority coordinate its work with the Office of State Planning, Department of Transportation, and the City and County of Honolulu Department of Transportation Services, Department of Planning, and Office of Waikiki Development;
3. Providing for transmission of certified copies to the above; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

In preparing the plan, the Convention Center Authority should consider all existing and potential aspects of the transportation network, including water-borne vessels on the Ala Wai Canal, and other possible measures, including private contributors to reduce costs to the state and county agencies. The plan should also include a timetable for implementation of the recommended measures.

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. 37, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 37, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 838-94 Tourism on H.C.R. No. 39

The purpose of this concurrent resolution is to request the Convention Center Authority to prepare a study recommending measures to mitigate the convention center's impact upon the transportation network of the surrounding area.

Your Committee received testimony in support of this concurrent resolution from the Convention Center Authority, the City and County of Honolulu Office of Waikiki Development, the Waikiki Improvement Association, and two concerned citizens.

Your Committee finds that conventions at the Aloha Motors location could add a considerable number of vehicles to the traffic grid of the surrounding area at peak times, and that the traffic intersections near the current convention center location already experience heavy congestion during peak periods. In examining the transportation network, the Convention Center Authority could also coordinate its work with the City and County of Honolulu's transportation analysis now in progress.

Your Committee revised this concurrent resolution by:

1. Changing the study to a plan;
2. Providing that the Convention Center Authority coordinate its work with the Office of State Planning, Department of Transportation, and the City and County of Honolulu Department of Transportation Services, Department of Planning, and Office of Waikiki Development;
3. Providing for transmission of certified copies to the above; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

In preparing the plan, the Convention Center Authority should consider all existing and potential aspects of the transportation network, including water-borne vessels on the Ala Wai Canal, and other possible measures, including private contributors to reduce costs to the state and county agencies. The plan should also include a timetable for implementation of the recommended measures.

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. 39, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 39, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 839-94 Tourism on H.R. No. 75

The purpose of this resolution is to request that Hawaii's congressional delegation encourage the Immigration and Naturalization Service to re-assess its processing practices for applications for non-immigrant visas for tourists from South Korea and Taiwan.

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

Your Committee finds that South Korea and Taiwan provide a significant number of visitors to Hawaii and easing travel restrictions, such as non-immigrant visitor visas, for travelers from those countries, would help arrest the decline in the Hawaii visitor industry and the economy in general.

Your Committee revised this resolution by:

1. Adding the Secretary of State to those receiving certified copies; 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 concurs with the intent and purpose of H.R. No. 75, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs in the form attached hereto as H.R. No. 75, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 840-94 Tourism on H.C.R. No. 80

The purpose of this concurrent resolution is to request that Hawaii's congressional delegation encourage the Immigration and Naturalization Service to re-assess its processing practices for applications for non-immigrant visas for tourists from South Korea and Taiwan.

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

Your Committee finds that South Korea and Taiwan provide a significant number of visitors to Hawaii and easing travel restrictions, such as non-immigrant visitor visas, for travelers from those countries, would help arrest the decline in the Hawaii visitor industry and the economy in general.

Your Committee revised this concurrent resolution by:

1. Adding the Secretary of State to those receiving certified copies; 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 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 Intergovernmental Relations and International Affairs in the form attached hereto as H.C.R. No. 80, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 841-94 Tourism on S.B. No. 2661

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for public/private cooperative advertising partnerships.

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

Your Committee finds that cooperative advertising, using a combination of public and private funds, has demonstrated its effectiveness in stretching limited promotion budgets and appears to be the best demand-side tool for stimulating activity in the tourism sector of the Hawaii economy.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 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. 2661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 842-94 Tourism on S.B. No. 2424

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for the promotion of existing televised golf events.

Your Committee received testimony in support of this bill from the Office of the Mayor of the County of Hawaii, the Department of Business, Economic Development and Tourism, the Hawaii Visitors Bureau, Outrigger Hotels and the coalition of Hawaii golf tournaments, and in opposition to the bill from the Sierra Club Hawaii Chapter.

Your Committee finds that golf events give tremendous media exposure of Hawaii to an especially affluent segment of the potential tourism market. The four existing nationally and internationally televised golf tournaments in the State, the Senior Skins, the Hawaiian Open, the Lincoln Mercury Kapalua International and the Kaanapali Classic, and a fifth event soon to return, the Professional Golfers' Association Grand Slam of Golf, have generated hundreds of hours of television coverage throughout the United States, Japan, and the rest of the world.

A large proportion of visitors to Hawaii include golf in their list of activities, including one of every four visitors to Lanai and 16 percent of the visitors to Maui, Kauai and Oahu, according to 1991 information. Many Hawaii travel industry companies experience a large increase in inquiries and bookings immediately following televised broadcasts of golf tournaments located in Hawaii, demonstrating the effectiveness of the promotions.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$5, with each event receiving not less than \$1, 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. 2424, S.D. 1, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 2424, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 843-94 Tourism on H.R. No. 76

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to prepare a state tourism product development plan and strategy.

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 Tourism Training Council, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee finds that Hawaii cannot stimulate its tourism industry without developing new tourism products, such as events, activities or attractions. During the current period of fiscal restraint, only the careful coordination of tasks and resources will allow Hawaii to bring about significant improvements with the limited resources available.

Your Committee revised this resolution by:

1. Requesting the incorporation of the product development plan into the Tourism Strategic Plan;
2. Adding to the agencies and organizations assisting with the plan, the Department of Land and Natural Resources, the Department of Transportation, the University of Hawaii School of Travel Industry Management, and the Office of State Planning;
3. Providing for transmission of certified to all organizations and agencies assisting with the plan; 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 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 Representative Lee.

SCRep. 844-94 Tourism on H.C.R. No. 81

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to prepare a state tourism product development plan and strategy.

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 Tourism Training Council, the Hawaii Visitors Bureau, and the Hawaii Hotel Association.

Your Committee finds that Hawaii cannot stimulate its tourism industry without developing new tourism products, such as events, activities or attractions. During the current period of fiscal restraint, only the careful coordination of tasks and resources will allow Hawaii to bring about significant improvements with the limited resources available.

Your Committee revised this concurrent resolution by:

1. Requesting the incorporation of the product development plan into the Tourism Strategic Plan being drafted by the Office of Tourism;
2. Adding to the agencies and organizations assisting with the plan, the Department of Land and Natural Resources, the Department of Transportation, the University of Hawaii School of Travel Industry Management, and the Office of State Planning;
3. Providing for transmission of certified to all organizations and agencies assisting with the plan; 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 concurs with the intent and purpose of H.C.R. No. 81, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 81, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 845-94 Tourism and Economic Development and Business Concerns on H.R. No. 77

The purpose of this resolution is to urge Hawaii businesses to make purchases and other transactions with other Hawaii businesses, particularly in tourism-related matters, and to urge state agencies to give the same preference beyond current statutory requirements, to the extent possible.

Your Committees received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, the Hawaii Visitors Bureau, the Graphic Communications International Union Local 501-M, and Tongg Publishing.

Your Committees find that businesses in Hawaii can help each other weather the effects of the prolonged decline in the tourism industry by making purchases from other local companies, rather than out-of-state companies.

Your Committees revised this resolution by:

1. Adding a public/private campaign by the Department of Business, Economic Development, and Tourism, to the provision urging Hawaii businesses to "buy local";
2. Providing for transmission of certified copies to the Director of Business, Economic Development, and Tourism, in addition to the others;
3. Amending the title to reflect the new provisions; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 77, as amended herein, and recommend 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 Committees except Representatives Chumbley, D. Ige, M. Ige, Lee and Tam.

SCRep. 846-94 Tourism and Economic Development and Business Concerns on H.C.R. No. 82

The purpose of this concurrent resolution is to urge Hawaii businesses to make purchases and other transactions with other Hawaii businesses, particularly in tourism-related matters, and to urge state agencies to give the same preference beyond current statutory requirements, to the extent possible.

Your Committees received testimony in support of this concurrent resolution from the Department of Business, Economic Development and Tourism, the Hawaii Visitors Bureau, the Graphic Communications International Union Local 501-M, and Tongg Publishing.

Your Committees find that businesses in Hawaii can help each other weather the effects of the prolonged decline in the tourism industry by making purchases from other local companies, rather than out-of-state companies.

Your Committees revised this concurrent resolution by:

1. Adding a public/private campaign by the Department of Business, Economic Development, and Tourism, to the provision urging Hawaii businesses to "buy local";
2. Providing for transmission of certified copies to the Director of Business, Economic Development, and Tourism, in addition to the others;
3. Amending the title to reflect the new provisions; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 82, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 82, H.D. 1.

Signed by all members of the Committee except Representatives Chumbley, D. Ige, M. Ige, Lee and Tam.

SCRep. 847-94 Housing on H.R. No. 100

Your Committee is in agreement that the present system of collecting data by financial institutions does not provide the flexibility necessary to determine the diverse ethnic breakdown of Hawaii's people. At the present time, the financial institutions are only allowed to request ethnic background on the following categories: Black, White, Asian/Pacific Islanders, Hispanic, and Native American/Alaskan Native. Your Committee is in agreement that this ethnic breakdown does not allow the financial institutions to get a true and complete disclosure for the multi-ethnic populations who are applying for mortgage loans.

Your Committee has also been alerted to the problem of financial institutions not accepting loan applications from Native Hawaiians who have been awarded Hawaiian Home Lands because they can not foreclose on the land. It was brought to the attention of your Committee, during the hearing, that there is now a federal mandate requiring financial institutions on the mainland to provide a reserve fund for loans to Native Americans living on Tribal Trusts Lands. Your Committee feels this type of program may provide loan opportunities for local financial institutions to accommodate those Hawaiians who have been awarded Hawaiian Home Lands.

Your Committee amended the resolution to include a further breakdown of ethnicities, as recommended by the Hawaii Community Reinvestment Act Association, which include Japanese, Chinese, Koreans, Hawaiians, Filipino, other Pacific Islanders, and other Asians. Your Committee further amended the resolution to include an Ethnically Mixed category for those who choose not to be represented by any one group in the aforementioned breakdown. Your Committee feels these categories will more accurately represent the ethnic diversity of Hawaii and will provide more accurate statistics for the financial institutions.

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. 100, as amended herein, and recommends that it be referred to the Committees on Consumer Protection and Commerce and Judiciary in the form attached hereto as H.R. No. 100, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 848-94 Housing on H.C.R. No. 106

Your Committee is in agreement that the present system of collecting data by financial institutions does not provide the flexibility necessary to determine the diverse ethnic breakdown of Hawaii's people. At the present time, the financial institutions are only allowed to request ethnic background on the following categories: Black, White, Asian/Pacific Islanders, Hispanic, and Native American/Alaskan Native. Your Committee is in agreement that this ethnic breakdown does not allow the financial institutions to get a true and complete disclosure for the multi-ethnic populations who are applying for mortgage loans.

Your Committee has also been alerted to the problem of financial institutions not accepting loan applications from those Native Hawaiians who have been awarded Hawaiian Home Lands because they can not foreclose on the land. It was brought to the attention of your Committee, during the hearing, that there is now a federal mandate requiring financial institutions on the mainland to provide a reserve fund for loans to Native Americans living on Tribal Trust Lands. Your Committee feels this type of program may provide loan opportunities for local financial institutions to accommodate those Hawaiians who have been awarded Hawaiian Home Lands.

Your Committee amended the concurrent resolution to include a further breakdown of ethnicities, as recommended by the Hawaii Community Reinvestment Act Association, which include Japanese, Chinese, Koreans, Hawaiians, Filipino, other Pacific Islanders, and other Asians. Your Committee further amended the concurrent resolution to include an Ethnically Mixed category for those who choose not to be represented by any one group in the aforementioned breakdown. Your Committee feels these categories will more accurately represent the ethnic diversity of Hawaii and will provide more accurate statistics for the financial institutions.

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. 106, as amended herein, and recommends that it be referred to the Committees on Consumer Protection and Commerce and Judiciary in the form attached hereto as H.C.R. No. 106, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 849-94 Health on H.R. No. 88

The purpose of this resolution is to urge the Department of Education to implement a comprehensive physical education curriculum at the elementary level.

The Department of Education (DOE) submitted testimony in agreement with the intent of the resolution, recognizing the contributions that physical education can make in developing well-rounded, productive citizens. However, DOE testified that the resolution was not necessary for the following reasons:

- (1) DOE guidelines provide for 120 minutes of instruction per week for kindergarten through grade three and 90 minutes of instruction per week for grades four through six; and
- (2) DOE provides teacher training in the area of physical education.

Your Committee is in agreement that physical education is a necessary component of any comprehensive elementary education program. Physical education affects not only the physical well-being of students, but moreover, as DOE testified, it has also been shown to favorably affect academic performance.

Committee members also agreed with DOE, that an evaluation of current physical education activities in the schools should be performed prior to any change in policy in the area of physical education. Furthermore, DOE testified that arrangements are being made for such an evaluation. Subsequent to this evaluation, a comprehensive physical education curriculum should be developed and implemented in public elementary schools.

Several Committee members underscored the necessity of incorporating outcome measures, or performance standards, in the physical education curriculum. Without such measures, the curriculum cannot be adequately and meaningfully evaluated.

After full and free discussion, your Committee made the following amendments:

- (1) Deleted the statement that DOE has no physical education curriculum at the elementary school level, and replaced it with the statement that the physical education curriculum is not mandatory;
- (2) Added a statement that physical education activities favorably affect student achievement;
- (3) Added a statement that children generally have less access to active play areas than in the past;
- (4) Added a statement that the high rate of working parents results in fewer opportunities for children to socialize in group settings;
- (5) Directed the Resolution to the Board of Education rather than DOE; and
- (6) Added that an evaluation of current physical education activities should be performed prior to the development of a comprehensive physical education curriculum; and
- (7) Revised the title of the Resolution to read: "HOUSE RESOLUTION REQUESTING AN EVALUATION OF CURRENT PHYSICAL EDUCATION ACTIVITIES IN THE PUBLIC SCHOOLS PRIOR TO THE DEVELOPMENT OF A COMPREHENSIVE PHYSICAL EDUCATION PROGRAM."

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 88, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.R. No. 88, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Tanimoto.

SCRep. 850-94

Health on H.C.R. No. 97

The purpose of this concurrent resolution is to urge the Department of Education to implement a comprehensive physical education curriculum at the elementary level.

The Department of Education (DOE) submitted testimony in agreement with the intent of the concurrent resolution, recognizing the contributions that physical education can make in developing well-rounded, productive citizens. However, DOE testified that the concurrent resolution was not necessary for the following reasons:

- (1) DOE guidelines provide for 120 minutes of instruction per week for kindergarten through grade three and 90 minutes of instruction per week for grades four through six; and
- (2) DOE provides teacher training in the area of physical education.

Your Committee is in agreement that physical education is a necessary component of any comprehensive elementary education program. Physical education affects not only the physical well-being of students, but moreover, as DOE testified, it has also been shown to favorably affect academic performance.

Committee members also agreed with DOE, that an evaluation of current physical education activities in the schools should be performed prior to any change in policy in the area of physical education. Furthermore, DOE testified that arrangements are being made for such an evaluation. Subsequent to this evaluation, a comprehensive physical education curriculum should be developed and implemented in public elementary schools.

Several Committee members underscored the necessity of incorporating outcome measures, or performance standards, in the physical education curriculum. Without such measures, the curriculum cannot be adequately and meaningfully evaluated.

After full and free discussion, your Committee made the following amendments:

- (1) Deleted the statement that DOE has no physical education curriculum at the elementary school level, and replaced it with the statement that the physical education curriculum is not mandatory;
- (2) Added a statement that physical education activities favorably affect student achievement;
- (3) Added a statement that children generally have less access to active play areas than in the past;
- (4) Added a statement that the high rate of working parents results in fewer opportunities for children to socialize in group settings;
- (5) Directed the Concurrent Resolution to the Board of Education rather than DOE; and
- (6) Added that an evaluation of current physical education activities should be performed prior to the development of a comprehensive physical education curriculum; and
- (7) Revised the title of the Concurrent Resolution to read: "HOUSE CONCURRENT RESOLUTION REQUESTING AN EVALUATION OF CURRENT PHYSICAL EDUCATION ACTIVITIES IN THE PUBLIC SCHOOLS PRIOR TO THE DEVELOPMENT OF A COMPREHENSIVE PHYSICAL EDUCATION PROGRAM."

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 97, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Tanimoto.

SCRep. 851-94 Energy and Environmental Protection on S.B. No. 2923

The purpose of this bill is to allow the set-aside of up to ten percent of aviation gasoline to alleviate hardship in the event of a declared shortage of petroleum products.

Testimony in support of this bill was received from:

- (1) The Department of Business, Economic Development, and Tourism;
- (2) The Western States Petroleum Association; and
- (3) Chevron, USA.

No testimony was received in opposition to the bill.

Your Committee finds that the present law governing the emergency fuel set-aside program specifically excludes aviation fuels, and therefore state declarations cannot assure the provision of vital emergency and essential intrastate air transport services. Your Committee further finds that because of our State's unique geographic composition, lack of emergency and essential intrastate air transport could adversely affect efforts to provide humanitarian assistance in the event of a natural disaster or other state of emergency.

Accordingly, your Committee voted unanimously to pass S.B. No. 2923, S.D. 1, unamended.

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. 2923, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Nekoba and Takamine.

SCRep. 852-94 Energy and Environmental Protection on S.B. No. 2170

The purpose of this bill is to promote the recycling of glass in the State by requiring glass container importers to pay the Department of Health an advance disposal fee which is to be used to fund county glass recovery programs.

The bill also requires:

- (1) The funds be deposited into the general fund;
- (2) State agencies, and urges county agencies, to purchase materials with a minimum recycled glass content; and
- (3) The use of glassphalt and crushed glass in roadway construction.

Testimony supporting the intent of this bill was received from:

- (1) Department of Business, Economic Development, and Tourism (DBEDT);
- (2) The Department of Health (DOH);
- (3) The Hawaii Food Industry Association (HFIA);
- (4) The City and County of Honolulu;
- (5) The Sierra Club; and
- (6) Hawaiian Earth Products, Inc.

Most of those testifying in support of the bill; including the DBEDT, the DOH, the HFIA, and the Sierra Club; strongly urged the Committee to amend the bill by having the revenues from the program deposited into a special fund instead of the general fund.

Testimony in opposition of the bill was received from the Tax Foundation of Hawaii.

Your Committee finds that glass recycling is not being widely practiced in Hawaii. If glass is not recycled, it will continue to be disposed of in our rapidly filling landfills. The present bill provides the needed framework for recycling glass in Hawaii, and, as such, will be an important step in promoting the commercial use of recycled materials.

Your Committee is in agreement with the testimony of those who expressed the belief that the revenues obtained from this program should be deposited into a special fund. Monies from this special fund should be used to pay the administrative costs of the program and to fund county glass recovery programs.

After free and open discussion, your Committee has amended this bill by:

- (1) Changing Section 342G-D of the bill (Page 5, lines 2-4) to deposit the revenues from the program into a special fund; and
- (2) Adding language to Section 342G-D of the bill, starting on Page 5, line 2, to describe how the monies in the special fund should be distributed.

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. 2170, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2170, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hirono, Nekoba and Takamine.

SCRep. 853-94 Energy and Environmental Protection on S.B. No. 3303

The purpose of this bill is to expand the authority of the Department of Health under the solid waste pollution law by including provisions relating to the liability of parties involved in illegal dumping; the delegation of state enforcement powers vested in the department to the counties; and the disposition of fines collected as the result of joint state and county enforcement actions.

Testimony strongly supporting the bill was received from:

- (1) The Department of Health;
- (2) Hawaiian Earth Products, Ltd.; and
- (3) The PVT Land Company.

Those in support of the bill testified that the bill provided the needed authority to enforce the rules and regulations prohibiting the improper disposal of materials. The Department of Health, in particular, noted that the importance of the bill for addressing increasing concerns about illegal dumping.

Testimony opposing the bill was received from the Sierra Club and the City and County of Honolulu. The Sierra Club expressed concern about the ramifications of the bill, while the City testified that there was no need to delegate enforcement powers to the counties, since such authority already existed.

After free and open discussion, which included the concerns mentioned above, your Committee voted to pass S.B. No. 3033, S.D. 1, unamended.

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. 3303, 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 Representatives Nekoba and Takamine.

SCRep. 854-94 Energy and Environmental Protection on S.B. No. 2109

The purpose of this bill is to increase the percentage of royalties paid to the counties from geothermal resource mining, from thirty percent to forty percent.

Testimony supporting the intent of this bill was received from:

- (1) The Life of Land;
- (2) The Sierra Club; and
- (3) The County of Hawaii.

While testifying in support of the bill, the Life of the Land and the Sierra Club also urged the Committee to amend the bill to repeal Chapter 196-D, as proposed under H.B. 3251.

The Department of Land and Natural Resources testified against reducing the State's allocation of royalties to forty percent, as the bill provides, given the costs currently borne by the State.

Your Committee recognizes that county resources may have been unduly burdened by the need to handle problems associated with geothermal development, including the increase in services of the departments of police, fire, civil service, and planning. To the degree that this is so, your Committee believes the counties should be accorded a higher percent of the royalties from such activity.

However, your Committee also agreed with the testimony presented on the repeal of Chapter 196-D, in that the State's energy policy is no longer in accord with the development of geothermal resources and cable systems.

After free and open discussion, your Committee voted to amend the bill by adding a section to the bill on page 2, line 18, to repeal Chapter 196-D.

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. 2109, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, 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 Nekoba and Takamine.

SCRep. 855-94 Energy and Environmental Protection on S.B. No. 2483

The purpose of this bill is to stimulate the production of ethanol by mandating the use of ethanol in motor fuel.

Specifically, the bill requires the Director of Business, Economic Development, and Tourism to adopt rules to require that gasoline sold in the State for use in motor vehicles contain ten percent ethanol by volume. Under the current bill the Director has the authority to determine the amount of gasoline to be sold containing ethanol and to provide exemptions where compliance with this requirement would cause undue hardship.

Testimony on S.B. No. 2483, S.D. 1, was received from:

- (1) The Department of Business, Economic Development and Tourism (DBEDT);
- (2) The Board of Agriculture;
- (3) The Hawaiian Sugar Planters' Association; and
- (4) Chevron, U.S.A.

The DBEDT submitted testimony strongly supporting the bill. In DBEDT's view, the bill promotes both energy self-sufficiency for the State and the sugar industry in Hawaii. The DBEDT also testified that the Attorney General expressed some concerns about the constitutionality of the ethanol definition because its exclusion of corn might be construed to be an impediment to interstate commerce. The Committee was told a formal opinion from the Attorney General should be forthcoming.

The Hawaii Sugar Planters' Association, while welcoming all reasonable efforts to maintain the viability of the industry, testified that this measure alone would not ensure its continued viability.

Chevron suggested that proposed rules to mandate ethanol content should consider the economic impact of such provisions, specifically their effects on the price of motor fuels.

Testimony from the Board of Agriculture suggested that the measure, more properly, should be placed in Chapter 486E, rather than Chapter 486.

Your Committee finds that ethanol production in the State is both appropriate and timely given recent development in the process of ethanol production, the State's dependence on imported petroleum for transportation fuels, and the need to find alternative uses of agricultural lands becoming fallow as a result of the decline in sugar production.

Although your Committee recognizes that ethanol production, per se, may not save the sugar industry, it could provide employment opportunities and contribute to the viability of the State's sugar industry as a whole. Your Committee believes that this bill will not cause significant increases in cost to consumers and that it will help to reduce Hawaii's dependence on imported fuels.

After full and open discussion, your Committee decided to revise the bill by:

- (1) Amending it to read that the proposed section should be placed in Chapter 486E instead of Chapter 486 (Page 1, line 10); and
- (2) Deleting lines 1-6 of Page 3 that contain definitions which already exist in Chapter 486E.

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. 2483, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2483, S.D. 1, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Nekoba and Takamine.

SCRep. 856-94 Human Services on S.B. No. 2841

The purpose of this bill is to authorize travel compensation in excess of thirty miles for persons who provide services as interpreters for the deaf, hard-of-hearing, or deaf-blind.

Testimony from the Council on Deafness, Commission on Person With Disabilities and the Hawaii Registry of Interpreters for the Deaf was received in strong support for this measure.

It is noted by your Committee that certified Sign Language interpreters are not in plentiful supply in the outlying areas such as Waianae and Ewa Beach on Oahu, Kula on Maui, Puna on the Big Island, or Hanalei on Kauai. The need for adequate compensation for the interpreters who must travel farther than usual has been clearly apparent for some time. The extra payment may encourage more interpreters to accept assignments requiring extra travel time (in excess of 30 miles round trip).

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. 2841, 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, Peters and White.

SCRep. 857-94 Human Services on S.B. No. 2724

The purpose of this bill is to continue funding for the multi-agency, community-based collaboration of the gang response system established by Act 189, Session Laws of Hawaii 1990, and further continued through Act 300, Session Laws of Hawaii 1992.

Testimony from the University of Hawaii at Manoa, Department of Education, County of Kauai, Hawaii, and the Honolulu City and County Police Departments, Boys & Girls Club of Honolulu, Job Preparation Language Program, and the Kokua Kalihi Valley was submitted in support of this measure.

The Office of Youth Services also supports the intent of this bill, but due to fiscal constraints cannot support the funding requests outside of the Executive Budget.

It is noted by your Committee that the Youth Gang Response System is a crucial element in efforts designed to curtail gang involvement. The Youth Gang Response System has been praised by San Diego's Police Department and the programs effectiveness is not due primarily to the police departments involvement, but also to community programs like the Kokua Kalihi Valley program.

Upon further consideration, your Committee has amended this bill by inserting \$1,019,675 to the appropriation section. This amount was derived by adding \$420,000 needed to fund training of ten additional outreach workers and \$599,675 the Office of Youth Services needs to extend payment to providers from eight months to twelve months.

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. 2724, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2724, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 858-94 Human Services on S.B. No. 2900

The purpose of this bill is to award concession shops in facilities constructed with special purpose revenue bond funds and to provide a ten per cent bid advantage to nonprofit corporations that are experienced in operating, and will operate, with a work force consisting substantially of persons with disabilities.

Testimony from Makaala Inc. and Goodsell, Anderson, Quinn & Stifel was received in support of this measure. The Healthcare Association of Hawaii submitted testimony in expressing concern about the definition of concessions in this measure and its impact on healthcare facilities.

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

- 1) Defining the term "concession" to mean an operation essentially retail in nature and to conduct business in facilities such as restaurants, lounges, soda fountains or retail stores; and
- 2) Adding a new subsection stating that if the 10% preference results in an award to a nonprofit corporation then the contract price shall not reflect the 10% increase, but shall reflect the price bid by the qualifying nonprofit corporation before its bid price was increased.

It is noted by your Committee that this legislation may have far reaching effects on institutions such as hospitals and other entities that may not have been identified (private non-profit). Your Committee looks to the Committee on Labor and Public Employment to clarify who will be impacted and the effects it will have on these institutions.

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. 2900, S.D. 2, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 2900, S.D. 2, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Duldulao, Peters and White.

SCRep. 859-94 Health on H.R. No. 86

The purpose of this resolution is to request the Legislature to support the expansion of the food safety consultative and education program.

Wholehearted support of this measure was received from the Department of Health and the Hawaii Food Industry.

It was understood by your Committee that food poisoning incidents in local restaurants have been a problem in the past. Most new employees know very little about how bacteria grows and what sanitation methods are required in order to control its growth.

The Food Safety Program, run by the Department of Health, conducts workshops and classes promoting the use of the Hazard Analysis Critical Control Point method for the purpose of preventing foodborne diseases. This method also allows for the investigation of outbreaks of foodborne diseases.

It was felt by your Committee that these workshops and classes were proving to be successful and that they were the most effective and least costly method of reducing food poisoning incidents. It was also believed that the cost to the Department of Health of educating and training food service employees would be far less than investigating and prosecuting food service establishments after the damage is done.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 86 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Tanimoto.

SCRep. 860-94 Health on H.C.R. No. 94

The purpose of this concurrent resolution is to request the Legislature to support the expansion of the food safety consultative and education program.

Wholehearted support of this measure was received from the Department of Health and the Hawaii Food Industry.

It was understood by your Committee that food poisoning incidents in local restaurants have been a problem in the past. Most new employees know very little about how bacteria grows and what sanitation methods are required in order to control its growth.

The Food Safety Program, run by the Department of Health, conducts workshops and classes promoting the use of the Hazard Analysis Critical Control Point method for the purpose of preventing foodborne diseases. This method also allows for the investigation of outbreaks of foodborne diseases.

It was felt by your Committee that these workshops and classes were proving to be successful and that they were the most effective and least costly method of reducing food poisoning incidents. It was also believed that the cost to the Department of Health of educating and training food service employees would be far less than investigating and prosecuting food service establishments after the damage was done.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Tanimoto.

SCRep. 861-94 Housing on H.C.R. No. 93

The purpose of this concurrent resolution is to confirm that the Homes Revolving Fund is authorized to provide a portion of the State's equity contribution for the Pawaa Project.

Testimony in support of the concurrent resolution was submitted by the Housing Finance and Development Corporation, the Kokua Council for Senior Citizens, and the Department of Housing and Community Development of the City and County of Honolulu.

While the creation of affordable housing deserves wholehearted support, your Committee has concerns about the long-term financing arrangement into which the State will enter and the quantity of affordable housing that will actually be developed as part of the Pawaa Project.

First, although the State funds committed to the project will eventually be reimbursed to the State, the money will be committed for a long period. In fact, the Housing Finance and Development Corporation testified that twenty-five to thirty years would elapse before the money is reimbursed to the Homes Revolving Fund. The reason given was that

arrangements have been made for the bonds issued by the City and County of Honolulu to be retired before the State receives any money. The commitment of the funds for such a long period precludes the use of the same money for other needed affordable housing projects. Your Committee notes that another substantial amount from the Homes Revolving Fund has been committed to another project, and this sum may also not be reimbursed for a long period of time.

The second concern is related directly to the purpose of the Homes Revolving Fund, which was established to develop affordable housing. According to the Department of Housing and Community Development, the number of affordable units to market units has been planned at a 60/40 ratio. However, your Committee is doubtful that this high ratio of affordable units will actually be realized due to today's high costs associated with development.

As such, your Committee has amended the concurrent resolution by adding an expression of the concern that the number of affordable units planned may not be realized.

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. 93, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 93, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 862-94 Higher Education and the Arts on S.B. No. 2623

The purpose of this bill is to establish a revolving fund for conference center programs held by the various community colleges.

Testimony in support of this bill was received from the University of Hawaii, which, while it supports the intent of SB 2623 SD2, would like to review the proposal more fully.

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. 2623, 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 Chumbley, M. Ige, Shon, Takumi and Yonamine.

SCRep. 863-94 Higher Education and the Arts on S.B. No. 2648

The purpose of this bill is to give chartered student organizations at the University of Hawaii access to legal services by authorizing expenditures of funds for such services from the University of Hawaii student activities revolving fund.

Testimony in support of this bill was given by the Board of Publications, The Associated Students of the University of Hawaii, the Campus Center Board, and the Broadcast Communication Authority.

Testimony in support of this bill with a suggestion for an amendment was given by the University of Hawaii.

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. 2648, 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 Representatives Chumbley, M. Ige, Shon, Takumi and Yonamine.

SCRep. 864-94 Higher Education and the Arts on S.B. No. 2978

The purpose of this bill repeals the provision which limits the parking fines imposed by the Board of Regents of the University of Hawaii to \$25.00.

Testimony in support of this bill was received from the University of Hawaii.

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. 2978 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Chumbley, M. Ige, Shon and Yonamine.

SCRep. 865-94 Higher Education and the Arts on S.B. No. 2020

The purpose of this bill is to establish special University of Hawaii development zones in Kapolei on the island of Oahu and West Hawaii on the island of Hawaii. Among other things, this bill also:

- (1) Exempts projects from State land use requirements;

- (2) Provides the University's Board of Regents exclusive authority to develop the University campuses at Kapolei and West Hawaii; and
- (3) Provides tax relief incentives to facilitate the development of housing for students and faculty.

The University of Hawaii and the Estate of James Campbell submitted testimony in support of the intent of this measure. The Tax Foundation of Hawaii submitted comments on this measure. The Department of Taxation submitted testimony opposing the passage of the tax provisions in this measure.

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

- (1) Deleting the general excise tax exemption for the special University of Hawaii development zones; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

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. 2020, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2020, S.D. 2, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representatives Chumbley, M. Ige, Shon, Takumi and Yonamine.

SCRep. 866-94 Higher Education and the Arts on S.B. No. 2622

The purpose of this bill is to appropriate \$1,268,976 for improvements and programs at Honolulu Community College, University of Hawaii.

The programs specifically intended to be benefitted under this bill are the programs in automotive technology, auto body repair and painting, the Marine Education and Training Center, and the aviation technology facility.

Testimony in support of this bill was received from the University of Hawaii.

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. 2622, 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 Chumbley, M. Ige, Shon and Yonamine.

SCRep. 867-94 Ocean Recreation and Marine Resources on S.B. No. 3088

The purpose of this bill is to provide funds for the documentation and preservation of the traditional Hawaiian methods of fishpond operation.

Your Committee on Ocean Recreation and Marine Resources finds that there are only a few remaining commercial fishponds in operation which use the old traditional Hawaiian methods, and that knowledge about the construction, operation, and maintenance of these fishponds has never been recorded. This bill would provide funds to document this knowledge so that this uniquely Hawaiian tradition can be preserved and disseminated for the benefit of persons presently interested in the restoration of Hawaiian fishponds and for future generations to use. Your Committee recognizes the importance of this documentation in preserving an important part of Hawaiian history which otherwise would be lost.

Supportive testimonies were heard from the Office of Hawaiian Affairs, Friends of He'eia State Park, Hawaii C'S Aquaculture Consultant Services, the State Foundation on Culture and the Arts, and an interested aquaculturist.

While a majority of the Committee members was in favor of the intention of this measure, specific concerns were expressed that are recorded in the Committee report.

- (1) Confining the documentation to a single fishpond with a single operator, rather than broadening it to include several different fishpond operations, may limit the knowledge which the Committee feels should be recorded.
- (2) Concern was expressed that the content of the recorded knowledge be applicable for transfer to other fishpond sites.
- (3) It was questioned as to whether the State Foundation on Culture and the Arts was the proper agency to assume responsibility for the proposed project or whether an agency more closely associated with aquaculture might be preferable.
- (4) Sufficient information to determine an accurate amount of required funding was not available.

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. 3088, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

(Representative Amaral voted no.)

SCRep. 868-94 Human Services on S.B. No. 2734

The purpose of this bill is to assist the Department of Human Services (DHS) in recovering assets of Medicaid recipients that were transferred to other persons to qualify the recipient for Medicaid assistance.

The American Association of Retired Persons supported the bill, and The Chamber of Commerce of Hawaii urged passage of the bill. Also in support of the bill, DHS testified that the bill is necessary to comply with federal law. DHS and the Attorney General's Office also suggested several amendments to the bill to further comply with federal regulations.

In consideration of these suggestions, your Committee has amended the bill as follows:

- (1) Deleted the thirty-six month period which applies to the transfer of assets; and replaced it with a period determined by federal regulations, and referred to this period as the "lookback" period;
- (2) Required rather than authorized DHS to file a claim against the estate of a deceased recipient of medical assistance under specified conditions; and
- (3) Required DHS to file a claim against the estate of a recipient of medical assistance under other specified conditions.

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. 2734, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2734, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 869-94 Human Services on S.B. No. 391

The purpose of this bill is to establish a Representative Payee Demonstration Project (Project) creating representatives to receive general assistance payments for recipients diagnosed to have a drug addiction or a psychiatric disability. These representatives would act as guardians of the payments and would be authorized to manage the recipient's financial affairs.

CSI, Inc. submitted testimony in support of the bill.

The Department of Human Services (DHS) testified that it can already accomplish the purpose of the bill by coordinating its efforts with a representative payee program that has been established within the Department of Health (DOH). However, both DHS and DOH have not been able to implement the program due to a lack of sufficient resources. Additionally, DHS raised the concern that civil rights complaints may arise since the disability is the determining factor in restricting access to payment.

Also testifying in support of the bill, the Senator representing the Third District specifically addressed general assistance recipients who have been diagnosed as addicted to drugs. According to the Senator, a civil rights problem might arise if federal funds were involved. However, general assistance revenues consist only of State funds. As such, the State would be able to impose reasonable conditions on the expenditure of these funds. If a mental health professional has determined that an individual is disabled, then the individual could qualify for this proposed Project.

Upon the consideration of the testimony presented and a discussion of the relevant issues, your Committee has amended the bill as follows:

- (1) Referred to Chapter 346 of the Hawaii Revised Statutes rather than Chapter 345 as the law authorizing DHS to make general assistance payments;
- (2) Deleted psychiatric disability as a qualification for the Project, thereby making the Project available only to those with drug addictions;
- (3) Deleted the requirement that participation in the Project requires a determination by a treating psychiatrist or psychologist as needing a guardian; and replaced this with a requirement that participation requires a diagnosis of drug addiction by a treating psychiatrist or psychologist;
- (4) Specified that the required report include the number of individuals referred to the Project who choose to no longer receive benefits; and
- (5) Made technical, nonsubstantive revisions for 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. 391, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 391, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Peters.

SCRep. 870-94 Water and Land Use Planning on S.B. No. 2637

The purpose of this bill is to require the Board of Land and Natural Resources to consider the relevant agricultural use of the leased land in setting agricultural lease rents.

Several farmers testified that the increase in their lease rentals would jeopardize their ability to make a profit and continue farming. Your Committee finds that this bill will establish a fair method in determining agricultural lease rents that will reflect the actual productive value of the land.

Your Committee received testimonies from the Department of Land and Natural Resources, the Hawaii Farm Bureau, the Hawaiian Sugar Planters Association and several private citizens.

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. 2637 and recommends that it pass Second Reading and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Bainum and Nekoba.

SCRep. 871-94 Water and Land Use Planning on S.B. 2167

The purpose of this bill is to designate the city of Kapolei as the permanent site for the establishment of a Family Court center.

Presently, Family Court is located in the Circuit Court building in downtown Honolulu. The court site is overcrowded and inadequate for the increasing number of cases presented every year.

Your Committee recognizes that Kapolei is the site of Oahu's second city, this bill will help to create new jobs, relieve traffic congestion into downtown Honolulu, and provide other diverse economic opportunities in conjunction with the development of the area.

Your Committee received testimony in support of the bill from the Estate of James Campbell. Further testimony was given by the State Judiciary and the Family Law Section Hawai'i State Bar Association.

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. 2167, S.D. 1, and recommends that it pass Second Reading in and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bainum and Nekoba.

SCRep. 872-94 Water and Land Use Planning on S.B. No. 2959

The purpose of this bill is to authorize the Board of Land and Natural Resources to issue revenue bonds to finance the development of industrial parks. It also allows the Board to charge fees to industrial park users to meet expenses.

Your Committee has incorporated the amendments suggested by the Department of Land and Natural Resource. In their testimony, they stated that these amendments come under recommendation from the Bond Counsel. Therefore, your Committee has amended this bill by:

- (1) Adding "and reasonable reserves" on page 1, line 7; and
- (2) Adding "The revenue bonds shall be payable from and secured solely by the revenue derived by the department from the industrial park or parks for which the bonds are issued" to page 7, line 4.

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. 2959, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2959, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bainum and Nekoba.

SCRep. 873-94 Water and Land Use Planning on S.B. No. 3309

The purpose of this bill is to assist Hamakua residents on the Big Island with their economic recovery by enabling certain permittees on State lands to obtain long term leases. This bill allows the Department of Land and Natural Resources (DLNR) and the Department of Agriculture (DOA), without having to conduct public auctions, to negotiate and enter into leases of State lands with persons holding revocable permits for a slaughterhouse and feedlot or for any other agricultural purpose within the Hamakua Community Development District on the Big Island.

The DOA and the Hamakua/North Hilo Agricultural Cooperative testified in support of this bill. The DLNR also supported this bill with certain amendments.

Your Committee has amended this bill by:

- (1) Replacing the phrase "June 30, 1969" with "June 30, 1996" on page 7, lines 1 and 3; and
- (2) Deleting the phrase "not more than six months after the effective date of this Act" from the beginning of Section 6 to avoid a conflict with the provisions contained in Section 3 of the bill.

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. 3309, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3309, S.D. 2, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Bainum and Nekoba.

SCRep. 874-94 Water and Land Use Planning on S.B. No. 3310

The purpose of this bill is to assist Hamakua and Hilo Coast residents on the Big Island with their economic recovery by enabling certain permittees on State lands to obtain long term leases. This bill allows the Department of Land and Natural Resources (DLNR) and the Department of Agriculture (DOA), without having to conduct public auctions, to negotiate and enter into leases of State lands with persons holding revocable permits for any agricultural purpose within the North Hilo region.

The DOA and the Hamakua/North Hilo Agricultural Cooperative testified in support of this bill. The DLNR also supported this bill with certain amendments.

Your Committee has amended this bill by:

- (1) Deleting the provisions in Section 8 that exempts agricultural leaseholds from all subdivision development standards;
- (2) Deleting the phrase "within six months from the effective date of this Act" from the beginning of Section 6 to avoid any conflict in the bill;
- (3) Inserting a more detailed definition of "North Hilo region" in Section 2;
- (4) Inserting a provision in Section 5 that requires a premium to be added to the annual lease rent; and
- (5) 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 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. 3310, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3310, S.D. 2, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Bainum and Nekoba.

SCRep. 875-94 Economic Development and Business Concerns on S.B. No. 2125

The purpose of this bill is to create a new class of liquor license for microbreweries encompassing two categories of licensees.

Testimony in support of this bill was received from the Hawaiian Homebrewers Association.

The Retail Liquor Dealers Association of Hawaii testified in general support of the intent of this bill, but favored the House companion over this bill.

Your Committee recognizes that permitting businesses to manufacture and sell domestic malt beverages that are unique to Hawaii would support businesses here. In addition, this new category of liquor license would also facilitate efforts to diversify and broaden the economy of the State.

However, your Committee also notes that under existing liquor laws, a "microbrewery" license is not required in order to accomplish the goals of manufacturing and wholesaling liquor in Hawaii.

Accordingly, your Committee has amended this bill by replacing the substance of this bill with that of H.B. No. 2605, H.D. 2.

Specifically, this bill:

- (1) Creates a new class of liquor license for "brewpubs" rather than "microbrewery";
- (2) Creates only one category of licensee rather than two; and
- (3) Limits a licensee's manufacturing capacity to not more than three thousand barrels of malt beverages per license year.

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. 2125, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2125, 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 M. Ige.

SCRep. 876-94 Health on S.B. No. 3010

The purpose of this bill is to provide emergency funding for Maui Memorial Hospital and Hilo Hospital for fiscal year 1993-1994.

Testimony received from the Department of Health strongly supported this bill.

Your Committee recognizes that the Division of Community Hospitals has recently sought formal proposals for laboratory, radiology, emergency, and anesthesiology services and that contracts for all these services, except laboratory services, have been awarded. It was noted by your Committee that in the past, these contracts allowed the contractor to bill for services provided to all

Upon further consideration, your Committee has amended this measure by removing the appropriation amounts and inserting the sum of \$1 for the purposes of further discussion.

Other technical nonsubstantive amendments were made for the purposes of clarity, conformity, 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. 3010, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3010, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tanimoto.

SCRep. 877-94 Health on S.B. No. 3008

The purpose of this legislation is to expand the pilot autonomy project to Ka'u Hospital, Honoka'a Hospital, Kohala Hospital, Lanai Community Hospital, Hana Medical Center, and the Division of Community Hospital's administrative staff office.

Testimony received from the Department of Health strongly supported this measure.

Your Committee notes that since its inception in 1990, the pilot autonomy program has provided significant benefits to the community hospitals. Autonomy has been proven to be a means of improving management of the community hospitals. Seeing that the pilot project has demonstrated positive benefits to the operating efficiency and financial performance of the hospitals, your Committee feels that the project should apply to all the community hospitals. In addition, the Committee would like to commend the Community Hospitals Division for doing such a fine job with the community hospitals.

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. 3008, 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 Tanimoto.

SCRep. 878-94 Health on S.B. No. 3009

The purpose of this bill is to create a separate agency for community hospitals with more control over its operations to ensure competitiveness and viability.

It is recognized by your Committee that pressures for national health care reform have caused the health care industry to change rapidly. It is understood by your Committee that by implementing the purposes of this bill, the health needs of Hawaii's citizens will be better met in this time of changing health care environments due to national, as well as, local reforms.

Testimony supporting this bill was received from the Department of Health, the United Public Workers Union (UPW), the Hawaii Government Employees Association (HGEA), and the Healthcare Association of Hawaii.

However, HGEA did have concerns that they were not specifically included as members of the task force that would be established by this bill. They felt that because they represented a large number of the hospital system employees, they should be a part of this task force.

Accordingly, your Committee has amended this bill by:

- (1) Including language that specified which labor union representatives will be part of the task force; and

- (2) Making technical, nonsubstantive changes 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. 3009, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3009, S.D. 2, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Tanimoto.

SCRep. 879-94 Higher Education and the Arts on S.B. No. 3249

The purpose of this bill as received is to provide for the protection, education, and welfare of the citizens of the State, its legitimate degree-granting institutions, and its students by:

- (1) Establishing minimum standards concerning quality of education, ethical and business practices, health and safety, and fiscal responsibility;
- (2) Prohibiting the granting of false or misleading educational credentials;
- (3) Regulating the use of academic terminology in naming or otherwise designating educational institutions;
- (4) Prohibiting misleading literature, advertising, solicitation, or representation by educational institutions or their agents;
- (5) Preserving essential academic records; and
- (6) Providing certain rights and remedies to the consuming public.

The Department of Commerce and Consumer Affairs and the American Civil Liberties Union of Hawai'i submitted testimony in support of this measure. The University of Hawaii, the Forest Institute, and several concerned citizens submitted testimony in support of the intent of this measure. Hawaii Pacific University and Wayland Baptist University, International College and Graduate School, University of the Nations, Kennedy-Western University, and concerned citizens submitted comments on this measure. Brigham Young University-Hawaii, Chaminade University of Honolulu, and Greenwich University submitted testimony in opposition to this measure.

Upon careful consideration, your Committee has amended this bill by deleting the substance and inserting the contents of H.B. No. 2337 which your Committee reported out earlier. Your Committee has further amended this bill by:

- (1) Providing sanctions for failure to disclose;
- (2) Amending the definition of "degree granting institution" to exempt any public college, university, or other entity operating as part of the public educational system of this State;
- (3) Adding clarifying language to the disclosure statement; and
- (4) Making technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

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. 3249, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3249, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Chumbley, M. Ige, Shon, Takumi and Yonamine.

SCRep. 880-94 Water and Land Use Planning on S.B. No. 2705

The purpose of this bill is for the State to acquire the Lower Hamakua Ditch on the Big Island and the Waiahole Ditch on Oahu for diversified agricultural purposes. With the announcement of the closure of both the Hamakua Sugar Company and the Oahu Sugar Company, the acquisition of these irrigation systems is essential to ensure the smooth transformation of those lands from sugar to diversified agriculture.

Generally, this bill:

- (1) Authorizes the Department of Agriculture (DOA), with the approval of the Director of Finance and the Governor, to issue revenue bonds for financing and refinancing any irrigation projects;
- (2) Establishes the Irrigation Water Development Special Fund; and
- (3) Appropriates funds from the Irrigation Water Development Special Fund for planning, designing, improving, acquiring, constructing, operating, and maintaining irrigation projects and to pay for debt service on revenue bonds issued.

The DOA testified in support of this bill with technical amendments.

Your Committee has amended this bill by incorporating numerous amendments in Sections 1, 2, and 3 that were suggested by the State's bond counsel.

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. 2705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2705, H.D. 1, and be referred to the Committee on Agriculture.

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

SCRep. 881-94 Agriculture on S.B. No. 3161

The purpose of this bill is to extend the sunset date of Act 237, Session Laws of Hawaii (SLH) 1988, from July 1, 1994 to July 1, 1995.

This bill would extend for one year, the period in which the Department of Land and Natural Resources (DLNR) may negotiate and enter into leases of 15 to 35 years with qualifying permittees who hold agricultural, or residential and home gardening revocable permits on state lands.

Your Committee recognizes that while certain permittees of agricultural lands have occupied these state lands for long periods of time, the permittees do not have the assurance of continued tenure on the land as their tenure is on a month-to-month basis. As a result of this month-to-month lease basis, permittees are sometimes hindered in the development of their farming operations and from obtaining financing to improve their farms.

Your Committee received testimony from DLNR, which indicated that it has no objections to extending the sunset date to July 1, 1995. Supporting testimony was also received from several individuals from the farming community.

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

- (1) Requiring DLNR to establish policies to expedite the completion of the lease negotiations under Act 237, SLH 1988, by the sunset date as specified under this bill; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

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. 3161, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3161, S.D. 2, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representatives Tam and Tanimoto.

SCRep. 882-94 Agriculture on S.B. No. 2956

The purpose of this bill is to allow landowners to harvest trees planted according to a management plan approved by the Department of Land and Natural Resources (DLNR), on lands within agricultural districts or degraded forests and pasture on lands within the conservation district and zoned for commercial forest use.

The DLNR, the Hawaii Forest Industry Association, Kamehameha Schools Bishop Estate, and the Hawaii Society of American Foresters, Hawaii Chapter, testified in support of this bill. Your Committee also received testimony from the Sierra Club, Hawai'i Chapter; the Sierra Club Legal Defense Fund; Hawaii's Thousand Friends; and the Hawaii Audubon Society.

Upon extensive deliberation, your Committee has amended this bill by:

- (1) Specifying that the right of a landowner to harvest trees shall be limited to the harvesting of new trees according to a management plan approved by DLNR;
- (2) Stipulating that the State's liability as a result of the right to harvest new trees shall be limited to actions taken only by the State and shall not extend to any private property rights;
- (3) Specifying instead, that the landowner has the right to harvest new trees generated (rather than trees planted) according to a management plan approved by DLNR;
- (4) Clarifying that the reference to degraded forests and pasture on lands are within the conservation district and zoned for commercial forest use; and
- (5) Making technical, nonsubstantive amendments for 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. 2956, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2956, S.D. 1, H.D. 1, and be referred to the Committees on Water and Land Use Planning, and Energy and Environmental Protection.

Signed by all members of the Committee except Representative Ishii-Morikami.

SCRep. 883-94 Higher Education and the Arts and Education on S.B. No. 2979

The purpose of this bill is to establish the University of Hawaii at Manoa laboratory school summer programs revolving fund to operate the laboratory school's summer programs.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2979 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Hagino, M. Ige, Shon, Takumi and Tanimoto.

SCRep. 884-94 Higher Education and the Arts on S.B. No. 2085

The purpose of this bill is to maintain effective personnel recruiting and retention in the face of strong competition from both the private sector and the federal active military and reserves by providing tuition fee waivers for qualified spouses and dependents of National Guard members who have been killed while on active duty.

The Air National Guard Noncommissioned Officer Academy Graduates Association, Chapter 18, the State Department of Defense, the Hawaii National Guard Family Support Group, and the Hawaii National Guard Enlisted Association submitted testimony in support of this measure. The University of Hawaii submitted comments on this measure.

After free and open discussion, your Committee has amended this bill by deleting the substance and inserting the contents of H.B. No. 2356. This bill has been further amended by:

- (1) Clarifying that "permanent total disability" is used as defined pursuant to Chapter 386, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

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. 2085, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2085, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chumbley, M. Ige, Shon, Takumi and Yonamine.

SCRep. 885-94 Higher Education and the Arts on S.B. No. 3274

The purpose of this bill is to appropriate funds for the University of Hawaii to establish a shuttle service to transport students at the University of Hawaii at Manoa to and from the park-and-ride site.

Testimony in favor of this bill was submitted by the University of Hawaii's Student Affairs Division and the Associated Students of the University of Hawaii at Manoa.

Your Committee recognizes the need for additional parking sites for students, faculty, and staff who commute to and from the University of Hawaii at Manoa and further recognizes that the park-and-ride site currently at the Pawaa Annex lot has alleviated some of the burden for the students, faculty, and staff who are affected by the inadequate number of parking sites available at this time.

Your Committee has amended this bill by inserting the amount of "\$31,500" to be appropriated out of the general revenues of the State of Hawaii.

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. 3274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3274, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 886-94 Housing and Human Services on S.B. No. 3082

The purpose of this bill is to appropriate funds for the "safe haven" pilot project for the homeless mentally-ill.

Your Committee received testimony in favor of this bill from several groups that deal with the mentally-ill, but opposition from the Department of Health because of the expenditure of funds it would require.

Your Committee has amended the bill by including an expenditure of \$348,800 to be expended by the Department of Health for the project.

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. 3082, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3082, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Duldulao, Peters and White.

SCRep. 887-94 Housing on S.B. No. 3267

The purpose of this bill is to enable Filipino veterans of World War II and their families to qualify for discretionary preference under the low-income rental housing program of the Hawaii Housing Authority.

Your Committee received testimony in support of this bill from the state of Hawaii Department of Defense.

Your Committee has amended this bill by making technical, non-substantive amendments.

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. 3267, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3267, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 888-94 Housing on S.B. No. 2658

The purpose of this bill is to provide state agencies charged with the responsibility of approving permits to construct housing projects with the flexibility to extend the review period in contested cases.

Your Committee received testimony in favor of this bill from the State Streamlining Task Force, the Hawaii Association of Realtors, and the Hawaii Developers Council.

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. 2658 and recommends that it pass Second Reading and be referred to the Committee on Intergovernmental Relations and International Affairs.

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

SCRep. 889-94 Transportation on H.R. No. 92

The purpose of this resolution is to request the Director of Transportation to establish a safety awareness program to educate the public on the dangers of people riding in the open or enclosed cargo areas of pickup trucks.

Your Committee recognizes that as pickup trucks become more popular as an all-purpose vehicle, passengers riding in the open or enclosed cargo area of the vehicle are at risk of being killed or injured during an accident. Your Committee recognizes that in the event of an accident, passengers in the cargo area of a pickup truck may be thrown from the vehicle causing severe injuries. Your Committee further recognizes the need to educate people concerning the safety implications associated with persons riding in the cargo area of a pickup truck.

Your Committee received testimony from the Department of Transportation, the American Academy of Pediatrics, the Hawaii Medical Association, Healthy Mothers Healthy Babies Coalition of Hawaii, and various concerned citizens.

Your Committee amended this resolution by:

1. Requesting the Department of Transportation to educate the public about the dangers of all persons riding in the cargo area of pickup trucks;
2. Requesting the Department of Transportation to include in its report to the Legislature statistics relating to injuries or deaths of persons riding in the cargo area of pickup trucks;
3. Transmitting a certified copy of this resolution to the Governor's Highway Safety Council and the Department of Education's Youth Highway Safety Coordinator; and
4. Various technical and non-substantive changes for the purpose of style and clarity.

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.R. No. 92, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 92, H.D. 1.

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

SCRep. 890-94 Transportation on H.C.R. No. 102

The purpose of this concurrent resolution is to request the Director of Transportation to establish a safety awareness program to educate the public on the dangers of people riding in the open or enclosed cargo areas of pickup trucks.

Your Committee recognizes that as pickup trucks become more popular as an all-purpose vehicle, passengers riding in the open or enclosed cargo area of the vehicle are at risk of being killed or injured during an accident. Your Committee recognizes that in the event of an accident, passengers in the cargo area of a pickup truck may be thrown from the vehicle causing severe injuries. Your Committee further recognizes the need to educate people concerning the safety implications associated with persons riding in the cargo area of a pickup truck.

Your Committee received testimony from the Department of Transportation, the American Academy of Pediatrics, the Hawaii Medical Association, Healthy Mothers Healthy Babies Coalition of Hawaii, and various concerned citizens.

Your Committee amended this concurrent resolution by:

1. Requesting the Department of Transportation to educate the public about the dangers of all persons riding in the cargo area of pickup trucks;
2. Requesting the Department of Transportation to include in its report to the Legislature statistics relating to injuries or deaths of persons riding in the cargo area of pickup trucks;
3. Transmitting a certified copy of this concurrent resolution to the Governor's Highway Safety Council and the Department of Education's Youth Highway Safety Coordinator; and
4. Various technical and non-substantive changes for the purpose of style and clarity.

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. 102, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 102, H.D. 1.

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

SCRep. 891-94 Transportation on H.R. No. 87

The purpose of this resolution is to request the Department of Transportation to implement a statewide educational program that stresses the benefits of transporting children in a child safety seat until a child is four years of age or forty pounds, whichever occurs later.

Your Committee recognizes that the Department of Transportation has an existing child safety seat education program which educates parents on the benefits of using safety seats. Your Committee finds that recent pediatric studies suggest that children up to the age of four years or forty pounds should remain in safety seats while travelling in a motor vehicle.

Your Committee received testimony from the Department of Transportation, the American Academy of Pediatrics, the Hawaii Medical Association, and the Healthy Mothers Healthy Babies Coalition of Hawaii.

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.R. No. 87 and recommends that it be referred to the Committee on Finance.

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

SCRep. 892-94 Transportation on H.R. No. 80

The purpose of this resolution is to request the Department of Transportation to conduct a comprehensive study of ways to improve bicycle safety and to help promote and accommodate the needs of bicyclists as important users of the State's transportation system.

Your Committee recognizes the need to address the safety concerns of the bicycling public in order to attract other persons to use biking as an alternative means of transportation. Your Committee also recognizes the importance of studying the interaction between motorized and non-motorized vehicles to uncover safety issues and methods to solve them.

Your Committee received testimony from the Department of Transportation, Kawaihae Hawaiian Homes Homeowners Community Association, County of Maui Mayor's Bikeway Advisory Committee, and Bikeways Maui.

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.R. No. 80 and recommends that it be referred to the Committee on Finance.

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

SCRep. 893-94 Transportation on H.C.R. No. 85

The purpose of this concurrent resolution is to request the Department of Transportation to conduct a comprehensive study of ways to improve bicycle safety and to help promote and accommodate the needs of bicyclists as important users of the State's transportation system.

Your Committee recognizes the need to address the safety concerns of the bicycling public in order to attract other persons to use biking as an alternative means of transportation. Your Committee also recognizes the importance of studying the interaction between motorized and non-motorized vehicles to uncover safety issues and methods to solve them.

Your Committee received testimony from the Department of Transportation, Kawaihae Hawaiian Homes Homeowners Community Association, County of Maui Mayor's Bikeway Advisory Committee, and Bikeways Maui.

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. 85 and recommends that it be referred to the Committee on Finance.

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

SCRep. 894-94 Transportation on H.C.R. No. 18

The purpose of this concurrent resolution is to extend the Board of Land and Natural Resources and the Department of Transportation authorization to lease 300 plus acres of submerged and tidal lands in the central triangular section of Ke'ehi Lagoon (Triangle) to a private developer for recreational, educational, research, and commercial/light industrial purposes pursuant to sections 171-53, 171-59, and 171-60, Hawaii Revised Statutes.

Your Committee recognizes past concurrent resolutions authorizing the Department of Transportation and the Board of Land and Natural Resources to lease the aforementioned lands, and that the State has been unable to acquire the necessary permits to proceed with this project. Your Committee further recognizes the additional time needed to complete the necessary permitting process.

Your Committee received testimony from the Department of Transportation and the Board of Land and Natural Resources.

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. 18 and recommends that it be referred to the Committees on Water and Land Use Planning and Ocean Recreation and Marine Resources.

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

SCRep. 895-94 Transportation on H.C.R. No. 10

The purpose of this concurrent resolution is to determine the feasibility of conducting recreational events along the length of the H-3 freeway before the roadway is opened to vehicular traffic so that the public can enjoy the beauty of Halawa Valley's tropical plant life and scenic views.

Your Committee recognizes that the opening of the H-3 freeway will grant the public access to a plethora of views which were hidden treasures to those individuals who could endure the physical and time-consuming hike into the valley. Your Committee recognizes that opening the H-3 freeway to the public before vehicular traffic is allowed will give sightseers a chance to leisurely walk, run or bike the entire length of the freeway from the Aloha Stadium to the Kaneohe Marine Corps Air Station.

Your Committee received testimony from the Department of Transportation and Island Triathlon & Bike Inc.

Your Committee amended this concurrent resolution by:

1. Deleting the provision requesting the Department of Transportation to report back to the Legislature on its progress;
2. Adding a fun run and bike event to the types of activities the Department of Transportation should consider; and
3. Various technical and non-substantive amendments for the purpose of style and clarity.

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. 10, as amended herein, and recommends that it be referred to the Committees on Water and Land Use Planning and Energy and Environmental Protection in the form attached hereto as H.C.R. No. 10, H.D. 1.

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

SCRep. 896-94 Health on H.C.R. No. 89

The purpose of this concurrent resolution is to request the Department of Health to establish a written policy for the coordination of transition services for young adults from the Child and Adolescent Mental Health Division to the Adult Mental Health Division.

Testimonies from the Department of Health, the Mental Health Association of Hawaii, the Kokua Council, and other concerned citizens supported the intent of this concurrent resolution.

It was understood by your Committee that with the present system, very little collaboration exists between the various divisions of the Department of Health that are involved in this area. As a result, when adolescents turn 18, they no longer qualify to receive the services offered by the Child and Adolescent Mental Health Division and are cast out of the system. Your Committee was informed that many of these young adults have not reached the maturity and independence with which they would be able to seek out services from the Adult Mental Health Division on their own. Therefore, this current policy, or lack thereof, is time consuming, inefficient, and leaves thousands of young adults in need of services out in the cold.

Your Committee was also informed that the Department of Education receives \$500,000 annual federal grant monies of which 10% are used for adolescent to adult transitional purposes and urges the Department of Health work in consultation with the Department of Education regarding the use of such funds.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Including language that would require that the Department of Health consult with the Department of Human Services and the Department of Education when establishing a written policy for the coordination of transition services;
- (2) Inserting language that would explore the appropriateness of continuing services for children receiving services from the Child and Adolescent Mental Health Division beyond the age of eighteen;
- (3) Inserting language stating that certified copies be sent to the Superintendent of Education and the Director of Human Services as well as the Director of Health.

Other technical, nonsubstantive 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 concurs with the intent and purpose of H.C.R. No. 89, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 89, H.D. 1.

Signed by all members of the Committee except Representative Tanimoto.

SCRep. 897-94 Health on S.B. No. 3137

The purpose of this measure is to appropriate an unspecified sum to the City and County of Honolulu to purchase automatic external defibrillators (AEDs) to expand the Honolulu Fire Department's automatic external defibrillation program islandwide and to fund a part-time medical director to provide medical oversight of the automatic external defibrillation training and protocols. The bill also appropriates funds to purchase AEDs to establish programs within the counties of Maui, Kauai, and Hawaii with the state EMS medical directors providing medical oversight for training and protocols.

Testimonies in support of this measure were received from the Hawaii Fire Chiefs Association, the Hawaii State Fire Council, the Fire Chiefs of Maui, Kauai, and Hawaii Counties, and the safety officer of Straub Clinic.

The Department of Health supported the intent of this measure but could not support funding that would have precedent over additional ambulance service in the Metro-Honolulu and Leeward areas of Oahu and given the fiscal climate this year. The department also noted that if the EMS medical directors for the counties of Hawaii, Kauai, and Maui, all of which are State positions, were to be used to provide medical oversight of the County first responder AED programs, the counties would have to indemnify their positions.

Your Committee finds that the use of AEDs is a valid and beneficial medical intervention in non-traumatic cardiac arrest cases that can be safely provided by public safety first responder personnel. Furthermore, it was noted that due to the number and location of fire stations, the average response time to medical emergencies is four minutes thus improving a person in cardiopulmonary arrest chances' of survival.

Additionally, your Committee finds that a part-time medical director is needed for the City and County of Honolulu's AED program because of the large population and number of high risk cardiac cases. Moreover, the counties will have to enter into contractual agreements with the State to indemnify the state EMS medical directors for medical oversight of county AED programs.

Several members of the Committee also expressed concerns that the Honolulu Fire Department had not implemented the AED program funded by the 1993 Legislature as a research and development project. However, it was explained by the Department of Health that the process of establishing approved medical protocols, and training procedures is tedious and time consuming and have just recently been concluded.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that would indemnify medical directors working for the county if they were employed by the State of Hawaii;
- (2) Appropriating the amount of \$1 for the purposes of further discussion;
- (3) Making technical non-substantive amendments for the purposes of clarity, conformity and style.

Although your Committee has decided to pass this bill with amendments, it should be noted that, based on testimony, the pilot project approved by the 1993 Legislature can be operated by the medical director of the City and County of Honolulu. Your Committee would also like to express to the Department of Health that it would like a response to its request regarding the protocols which have been established and which the Committee asked for last legislative session.

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. 3137, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3137, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tanimoto.

SCRep. 898-94 Health on S.B. No. 3270

The purpose of this proposed legislation is to establish a uniform health care billing form format.

Testimonies supporting the intent of this measure were received from the Department of Health, the Hawaii Federation of Physicians and Dentists, and the Hawaii Medical Services Association (HMSA).

The Hawaii Medical Association testified in opposition to this bill because they felt that Federal plans have already implemented a universal billing format and that a state billing format would further complicate the process.

Your Committee understands that Hawaii does come very close to using standard forms. However, doctors are still required to comply with separate insurance company rules regarding these forms which causes severe problems in physician and clinic office management. Further, your Committee understands that this contributes significantly to the rejection rate of claims and that this is a very inefficient, costly way of doing business.

It is felt by your Committee that this is something which can be fixed by developing a uniform bill format.

However, your Committee would like it understood that if a national form is developed, the state form shall be consistent with the national form.

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

- (1) Adding language that required the acceptance and use of by carriers and providers respectively, a state uniform billing form;
- (2) Inserting language that would recommend a billing format be developed through Chapter 91 and involve health care providers;
- (3) Including language that stated when use of the state uniform billing form shall be exempt;
- (4) Inserting language which allowed for the development of a uniform core dataset for public health programs and consumer cost and quality information;
- (5) Deleting subsection (c);
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, conformity, 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. 3270, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3270, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 899-94 Human Services on S.B. No. 2377

The purpose of this bill is to establish licensing requirements for social workers and to regulate the practice of social work in Hawaii.

Testimony from the Department of Health, Department of Commerce and Consumer Affairs, Hawaii Government Employees Association, National Association of Social Workers, The Sex Abuse Treatment Center, Pride in Social Work, School of Social Work, and Kokua Council for Senior Citizens was received supporting the intent of this measure. However, there were suggestions from various testifiers that the Committee insert language reflected in HB 3365, H.D. 3, that were not reflected in SB 2377, S.D. 2.

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

- (1) Deleting the substance of SB 2377, S.D. 2, and inserting the substance of HB 3365, H.D. 3; and
- (2) Adding a section allowing a person to use the terms "bachelor's degree in social work" or "B.S.W." or "master's degree in social work" or "M.S.W." in connection with the person's name providing that the person holds such a degree.

It is also noted by your Committee that it is not the intent of the Department of Commerce and Consumer Affairs to affect government employees through this measure. Government employees would be exempt through § -12(a), numbers one, five, and twelve. Being exempt, they would not need to obtain licensure (or meet requirements thereof); would be permitted to call themselves social workers (but not "licensed social workers"); and would be permitted to employ, utilize and work with other government employed social workers.

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. 2377, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2377, 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 Representatives Peters, Santiago and White.

SCRep. 900-94 Housing on S.B. No. 2928

The purpose of this bill is to reduce from thirty to fifteen days the minimum period required by the Land Use Commission for printing a notice in a newspaper on any boundary amendment.

The State Land Use Commission and the Housing Finance and Development Corporation submitted testimony in support of the bill. When asked by the Committee to respond to certain issues, the representative of the State Land Use Commission said that there would be no objection to notifying owners of contiguous property of the hearing or to publishing the hearing notice in a regional newspaper.

Upon consideration of the testimony provided, your Committee has amended the bill as follows:

- (1) Required the publication of the hearing notice in a newspaper, if available, in the region rather than the island where the boundary change is proposed;
- (2) Required owners of property adjacent to the property proposed for boundary change to be notified of the hearing; and
- (3) Made technical, nonsubstantive revisions for purposes of 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. 2928, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2928, 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 Representatives Peters and White.

SCRep. 901-94 Higher Education and the Arts on S.B. No. 2398

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

Your Committee received testimony in support of this bill from the Department of Civil Engineering at the University of Hawaii at Manoa. The Department of Civil Engineering has assured your Committee that the Pacific Mapping Center shall be established in accordance with the University's Executive Policy E5.201 which sets forth the University's plans and procedures for establishment of the Pacific Mapping Center.

Your Committee also received testimony generally in support of this bill from the Hawai'i Green Party which suggested that the purpose of the Pacific Mapping Center be amended to reflect the Legislature's support of short and long-term environmental impact studies.

Your Committee wishes to emphasize the importance in establishing a reliable database in order to be able to manage Hawaii's Exclusive Economic Zone in the most efficient and effective manner and that the establishment of the Pacific Mapping Center should help to achieve such a reliable database.

Your Committee has amended this bill by amending the purpose of the Pacific Mapping Center found in Section 1 to read, "The purpose in establishing the Pacific mapping center shall be to archive the physical dimensions, the living and non-living resources, and the characteristics of the Pacific Ocean, as well as to initiate the study of the short and long-term environmental impacts of any taking of these resources."

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. 2398, S.D. 1, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2398, S.D. 1, H.D. 1, and be referred to the Committee on Ocean Recreation and Marine Resources.

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

SCRep. 902-94 Labor and Public Employment on S.B. No. 2933

The purpose of this bill is to preserve ordinary death benefits for public school employee members of the Employees' Retirement System who transfer from a year-round school schedule to a traditional ten-month school schedule.

Beginning in 1989, a year-round school pilot project began at Waihee Elementary School. With the success of this pilot program, more schools may choose to adopt the year-round schedule. If an employee is transferred back from a year-round schedule to a traditional ten-month schedule, that employee is considered to be on nonpaid status during the month or two before the new school year begins. More importantly, the employee is not considered to be in service for the purpose of death benefits under the Employees' Retirement System.

Your Committee finds that this measure addresses this inequity by considering year-round school employees to be in service during the July and August preceding the start of the ten-month school year.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and the Coalition of Hawaii State-Counties Retirees Association. The Employees' Retirement System also submitted testimony.

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. 2933, 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 Ward.

SCRep. 903-94 Labor and Public Employment on S.B. No. 2098

The purpose of this bill is to restore to educational officers the right of due process in appealing the Department of Education's actions on classification and repricing matters.

Your Committee finds that since all government employees in other bargaining units and the Excluded Managerial Compensation Plan (EMCP) presently have appeal rights, educational officers should not be singled out as a group without similar rights in appealing the Department of Education's actions on classification and repricing matters.

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

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. 2098, 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 Ward.

SCRep. 904-94 Labor and Public Employment on S.B. No. 2164

The purpose of this bill is to remove the requirement that the Director of Labor and Industrial Relations consider the change in the Consumer Price Index (CPI) when adopting medical fee schedules.

Your Committee received testimony in support of this bill from the Department of Labor and Industrial Relations (DLIR), the Department of Personnel of the City and County of Honolulu, the Hawaii State AFL-CIO, the ILWU Local 142, the Hawaii Nurses' Association, Kaiser Permanente, and Fletcher Pacific Construction Co., Ltd.

Aloha Airlines, Inc. testified in support of the intent but recommended that prevailing standard be clearly defined. The Chamber of Commerce of Hawaii testified in support of the intent of this bill, but recommended an alternative approach. The Building Industry Association of Hawaii commented on this bill and recommended changes.

Testimony in opposition to this bill was received from the Hawaii Medical Association, the Hawaii Federation of Physicians and Dentists, the American Physical Therapy Association, Hawaii Chapter, the Hawaiian Society of Naturopathic Physicians, and a private doctor of naturopathy.

The Proactive Workers Task Group (Task Group) testified in opposition to this bill, but supported DLIR's recommendation that the Department be given flexibility to adjust medical fee schedules every three years without regard to the CPI, but use the CPI in other years. Other members of the Task Group offered comments and recommendations.

Your Committee finds that currently, medical costs for workers' compensation has grown to forty percent of the total workers' compensation costs in 1992. Further, the medical fee schedule is not in line with fees for similar noncompensable injuries. Tying adjustments in the medical fee schedule to the change in the CPI may be causing some of this distortion.

Your Committee believes that DLIR needs discretion in adjusting medical fee schedule amounts to remedy this situation. However, change in the CPI is a recognized and useful tool in determining the necessity for changes in the medical fee schedule, and should not be completely disregarded.

Accordingly, your Committee has amended this bill to require DLIR to conduct a special review and revision of rules relating to the medical fee schedule every three years. In the other calendar years the change in the CPI will continue to be used to adjust the medical fee schedule. Also, this bill has been amended to give DLIR authority to determine, at any time, whether adjustments to the fee schedule are necessary.

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. 2164, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164, 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 and Ward.

SCRep. 905-94 Labor and Public Employment on S.B. No. 3075

The purpose of this bill is to ensure the continuation of Medicaid funding by complying with the federal Omnibus Budget Reconciliation Act of 1993 (OBRA '93), which requires states to honor qualified medical child support orders.

Specifically, this bill complies with the OBRA '93 requirement that employers providing dependent health coverage make that coverage available to an employee's child, regardless of whether the child is a dependent of that employee.

Testimony supporting this measure was submitted by the Department of the Attorney General and the Office of the Corporation Counsel of the County of Hawaii.

This measure has been amended by incorporating the recommendations of the testifiers that the bill be amended to ensure compliance with the requirements of OBRA '93. Specifically, the measure now provides that employers recognize a child identified in a qualified medical child support order as an eligible dependent without regard to any enrollment season restrictions.

In addition, a technical, nonsubstantive amendment was made to correct a drafting error.

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. 3075, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3075, 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 and Ward.

SCRep. 906-94 Intergovernmental Relations and International Affairs on S.B. No. 2925

The purpose of this bill is to repeal the county special fund for certification and payment of county contributions to the Employees' Retirement System.

This measure would implement the recommendation of the Legislative Auditor that this special fund be repealed since it has been inactive for many years. Your Committee concurs that this special fund no longer serves its purpose and, therefore, its existence is unnecessary.

Your Committee received testimony in favor of this measure from the Administrator of the Employees' Retirement System.

Technical, nonsubstantive amendments were made for style and consistency.

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. 2925, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2925, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 907-94 Agriculture on S.B. No. 2151

The purpose of this bill is to allow the Department of Agriculture (DOA) to issue special permits on a case-by-case basis for the importation and possession of microorganisms that are not on the lists of prohibited, restricted, or conditionally approved microorganisms under the following conditions:

- (1) For the purpose of conducting medical research, or remediating medical emergencies or agricultural or ecological disasters; and
- (2) If the importer of the microorganism can meet permit requirements consistent with the Centers for Disease Control and the National Institute of Health guidelines, as determined by the Board of Agriculture.

Your Committee recognizes the need to expedite the time it takes for the issuance of importation permits for unlisted microorganisms for medical and scientific research purposes. Shortening the time that it takes to obtain an importation permit for a microorganism that is not on the list of prohibited animals and microorganisms would facilitate medical and scientific research, as well as maximize and support research funding opportunities.

The DOA and the President of Hawaii Biotechnology Group, Inc. testified in support of the bill. Testimony in support of the intent of the bill was submitted by the University of Hawaii.

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. 2151, 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 Ishii-Morikami and Tam.

SCRep. 908-94 Agriculture on S.B. No. 2077

The purpose of this bill is to authorize the Board of Agriculture to set the upset price or lease rent for land in agricultural parks based on the appraised evaluation of the property value, rather than on fair market value.

Your Committee recognizes that lease rent for land in agricultural parks based on fair market value results in distorted lease rents, as fair market value reflects the general trend of real estate sales. Land prices in Hawaii are largely affected by foreign investment in the State's real estate market. For example, an increased volume of investment activities by investors in the State's real estate market has a tendency to drive land prices up, which can cause artificially high fair market values. Your Committee finds that lease rents for land in agricultural parks must be fair and affordable to land lessees in order to support agricultural parks in the State.

Your Committee received testimony in support of the bill from the Department of Agriculture. Supporting testimony was also received from several agricultural park lessees and farmers.

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. 2077 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chumbley.

SCRep. 909-94 Agriculture on H.C.R. No. 119

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to initiate the procedures necessary to transfer full jurisdiction over Tax Map Key 4-1-08, to the Department of Agriculture (DOA).

The concurrent resolution also requests DOA to ensure the protection of the parcel by promoting diversified agriculture and self-sufficiency.

The DOA and DLNR submitted written testimony on the measure.

Your Committee finds that the designation of the parcel in question is incomplete, as Tax Map Key 4-1-08 refers to a "plat" or page in the tax map book, and not an individual parcel.

Accordingly, your Committee has amended the concurrent resolution by indicating the number of the parcel and identifying the full identification of the parcel to read: Tax Map Key 4-1-08:79.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119, as amended herein, and recommends that it be referred to the Committee on Water and Land Use Planning, in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee except Representative Ishii-Morikami.

SCRep. 910-94 Transportation on H.C.R. No. 95

The purpose of this concurrent resolution is to request the Department of Transportation to implement a statewide educational program that stresses the benefits of transporting children in a child safety seat until a child is four years of age or forty pounds, whichever occurs later.

Your Committee recognizes that the Department of Transportation has an existing child safety seat education program which educates parents on the benefits of using safety seats. Your Committee finds that recent pediatric studies suggest that children up to the age of four years or forty pounds should remain in safety seats while travelling in a motor vehicle.

Your Committee received testimony from the Department of Transportation, the American Academy of Pediatrics, the Hawaii Medical Association, and the Healthy Mothers Healthy Babies Coalition of Hawaii.

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. 95 and recommends that it be referred to the Committee on Finance.

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

SCRep. 911-94 Transportation on S.B. No. 3292

The purpose of this bill is to develop a master plan to improve the management of airport taxicab services throughout the State.

Your Committee finds that an efficient, dependable, and satisfying airport taxicab service is necessary to create a good impression on tourists, to demonstrate the Aloha Spirit, and to promote return visits to the islands. Your Committee finds that it is vital that the Department of Transportation review the management of the airport taxicab services, and analyze the reasonableness of the current airport taxicab permit fee.

Your Committee received testimony from the Department of Transportation and Oahu Taxi Owners Association.

Your Committee has amended this bill by:

1. Deleting the second paragraph in Section 1;
2. Changing the effective date to July 1, 1994; and
3. Incorporating technical and non-substantive changes for the purpose of style and clarity.

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. 3292, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3292, 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 Hagino, Shon and Yonamine.

SCRep. 912-94 Tourism on S.B. No. 2596

The purpose of this bill is to direct the Department of Business, Economic Development, and Tourism to prepare a plan for development of ecotourism in Hawaii, to include:

1. Ecotourism policies, goals, objectives, and implementing actions;
2. Appropriate incentives and a process to streamline the requirements involved in the development of ecotourism enterprises;
3. The elimination of inappropriate land use, building, and infrastructure requirements for ecotourism-related facilities; and
4. Recommendations for appropriate standards, ordinances, rules, and laws governing ecotourism facilities and activities.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the Hawaii Visitors Bureau, Kamehameha Schools/Bishop Estate and The Chamber of Commerce of Hawaii.

Your Committee finds that development of the nature-based segment of the visitor industry (ecotourism), would help Hawaii diversify its visitor base and would enable it to tap into one of the most rapidly growing tourism markets.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 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. 2596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2596, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 913-94 Tourism on S.B. No. 2503

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for the Gatorade Ironman Triathlon World Championship.

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

Your Committee finds that this event, seeking state funding for the first time, generates considerable economic benefit to Hawaii and also gives Hawaii tremendous media exposure that promotes Hawaii as a visitor destination, through the Ironman's status as the premier triathlon in the world and the culmination of a long series of international endurance events.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 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. 2503, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2503, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 914-94 Economic Development and Business Concerns on S.B. No. 1620

The purpose of this bill is to appropriate funds for administrative support to plan the 1995 Conference of the Division of Planetary Sciences, American Astronomical Society.

Your Committee recognizes that this bill supports the great economic, scientific, and educational benefits of promoting the State as a major conference destination for international space. According to testimony of the Department of Business, Economic Development, and Tourism (DBEDT), it is anticipated that over 550 representatives will attend the American Astronomical Society's annual Division of Planetary Science Conference, which is scheduled to be held on the Big Island in October, 1995. This conference is anticipated to generate revenues in excess of \$700,000 for the State.

The DBEDT testified in support of the intent of the bill; however, DBEDT indicated that it is unable to support any new proposals for budget items that are not already contained in the Executive fiscal biennium or supplemental budget request. Testimony in strong support of the bill was received from the Director of the University of Hawaii's Institute for Astronomy, provided that its proposed amendment is included in the bill. A former President of the U.S. International Space Year Association also submitted testimony on the bill.

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

- (1) Specifying that the appropriation be expended by DBEDT through the local representative for the Division of Planetary Sciences, American Astronomical Society;
- (2) Specifying that the appropriation shall also be to strengthen astronomical research and related space technology programs that offer numerous economic benefits for the State; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and 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. 1620, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1620, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 915-94 Economic Development and Business Concerns on H.C.R. No. 52

The purpose of this concurrent resolution is to request the Office of International Relations (OIR) to serve as the lead agency in organizing state executive agencies to report to the Legislature on the impact of the North American Free Trade Agreement (NAFTA) on the State.

Testimony in support of this concurrent resolution was received from the OIR.

Your Committee recognizes that there is greater need for the active involvement and cooperation among the OIR; the Department of Business, Economic Development, and Tourism (DBEDT); the Department of Agriculture (DOA); and the University of Hawaii (UH) in formulating appropriate and timely responses to NAFTA's economic effects on Hawaii as the implementation of NAFTA progresses.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Specifying that the state executive agencies include, but not be limited to, the DBEDT, the DOA, and the UH;

- (2) Requesting that certified copies of this concurrent resolution also be transmitted to the Director of Business, Economic Development, and Tourism; the President and Chairperson of the Board of Regents of the UH; and the Chairperson of the Board of Agriculture; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and 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 concurs with the intent and purpose of H.C.R. No. 52, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 52, H.D. 2.

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

SCRep. 916-94 Health and Human Services on S.B. No. 2908

The purpose of this measure is to require the Director of Health to identify community health centers that qualify as Hawaii Qualified Health Centers (HQHCs). This bill also allows the Department of Human Services to provide supplemental capitation payments to eligible Hawaii Qualified Health Centers for enabling services.

Testimonies in support of the intent of this measure were received from the Hawaii State Primary Care Association, the Kalihi Palama Health Center, the Hawaii Nurses Association, Healthy Mothers, Healthy Babies, the Department of Human Services and the Department of Health.

It was understood by your Committees that Community Health Centers play an important role in meeting the health care needs of individuals who are less likely to receive health services through a health insurance system. The movement to primary care should not jeopardize the primary health care and outreach services currently provided by these centers.

It was noted that these centers operated in an extremely efficient manner and provided the highest quality of health services to the people of Hawaii. However, your Committees felt that the Community Health Care Centers needed to be provided with the support necessary to continue to deliver these quality health services to the disadvantaged population of the State.

However, it was unclear to your Committees whether the current language of the bill would ensure whether the Community Health Centers will be able to maintain the cost-based reimbursement necessary to provide services currently rendered to the community.

Therefore, in view of the above-mentioned concerns, your Committees have amended this bill by:

- (1) Inserting language that states that any center previously designated as a Federally Qualified Health Center (FQHC), FQHC look alike, or Rural Health Center (RHC) shall have comparable designation as a Hawaii Qualified Health Center and shall also be known as essential community providers;
- (2) Adding language that gives the Director of Health the authority to further designate other Hawaii health centers not yet federally designated;
- (3) Inserting language that required the Department of Human Services to provide payments for vital enabling services; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, style and conformity.

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. 2908, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2908, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kawakami and Tanimoto.

SCRep. 917-94 Human Services and Health on S.B. No. 3031

The purpose of this bill, as received by your Committees, is to establish a long-term care advisory commission to develop a comprehensive long-term care financing program.

The Executive Office on Aging (EOA) submitted testimony recommending amending the bill by removing its substance and replacing it with the substance of H.B. No. 3455, H.D. 1, which creates a long-term care trust fund with a Board of Trustees to administer the fund. According to EOA, without the amendment the bill would duplicate work that has already been accomplished by the Long-Term Care Financing Advisory Board, which was established by Act 333, Session Laws of Hawaii 1991.

A number of agencies and individuals also supported the creation of a trust fund and a Board of Trustees, including the Department of Health, the National Association of Retired Federal Employees, the Commission on the Status of Women, ILWU Local 142, the Hawaii Long Term Care Association, the Family Hope Coalition, the American Association of Retired Persons, the Hawaii Association for Home Care, the Hawaii Nurses' Association, the Oahu Retired Teachers Association, the Senior Citizens Advisory Committee of the Honolulu Department of Parks and Recreation, and thirty-nine individuals.

Upon consideration of the testimony presented, your Committees have amended the bill as follows:

- (1) Deleted the substance of S.B. No. 3031, S.D. 2, and replaced it with the substance of H.B. No. 3455, H.D. 1;
- (2) Added that the long-term care financing program is to be affordable to all participants;
- (3) Clarified that the Board of Trustees rather than the staff actuary may loan excess reserves to finance the development of long-term care infrastructure; and
- (4) Made technical, nonsubstantive revisions for purposes of style and clarity.

Your Committees emphasize that the long-term care financing system proposed in the amended bill must be an all-risk, community rating plan.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3031, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3031, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Isbell.

SCRep. 918-94 Health on S.B. No. 3036

The purpose of this bill is to create a quasi-public agency, to be known as the Hawaii Health Alliance (Alliance), to negotiate premium rates with prepaid health care plans for the following:

- (1) All employers who purchase prepaid health care plans (with the exception of self-insured companies) and their employees;
- (2) The Hawaii State Public Employees Health Fund and its members; and
- (3) Medicaid coverage purchased by the State.

In addition, self-employed individuals or those otherwise not covered by health insurance would be allowed to purchase prepaid health care plans at prices negotiated by the Alliance.

The Department of Health (DOH) submitted testimony in strong support of the bill. According to DOH, the bill addresses the increasing costs of health care by creating a large purchasing pool designed to increase the negotiating strength of medium and small employers.

The bill was also supported by the Executive Office on Aging, the Hawaii Optometric Association, the American Association of Retired Persons, and the Office of Hawaiian Affairs. The bill with amendments of one form or another was supported by the Department of Labor and Industrial Relations, the Hawaii Nurses' Association, and the Hawaii Medical Services Association. The Hawaii State Association of Life Underwriters supported the concept of the bill with some reservations. The Healthcare Association of Hawaii supported the continuing movement of the bill in the legislative process. The Chamber of Commerce of Hawaii supported the intent of the bill.

While cost containment is the stated purpose of the Alliance, your Committee has a concern that this will indeed be the result. In addition, since the proposed federal healthcare reform legislation is one reason for this bill, it may be premature because of the uncertain nature of the federal legislation. As such, your Committee encourages the succeeding committees that will review the bill to continue to monitor the proposed federal legislation.

After full and free discussion, your Committee has amended the bill as follows:

- (1) Established the Alliance within the Department of Commerce and Consumer Affairs rather than the Department of Health;
- (2) Specified additional functions of the Alliance;
- (3) Clarified that the enhancement of choice and the development of competition is a major focus of the Alliance;
- (4) Deleted the authority of the Alliance to facilitate the development of cost containment efforts;
- (5) Added the authority of the Alliance to study and make recommendations to the Legislature;
- (6) Added the authority of the Alliance to provide quality, cost, and service information to permit consumer to make an informed choice among plans;
- (7) Substituted the Governor's Small Business Advisory Committee for The Chamber of Commerce of Hawaii as the agency that is to submit the list of private employers to the Governor for appointment to the Board of Directors;