

SCRep. 1323-96 Education on H.R. No. 237

The purpose of this resolution is to urge the Departments of Education and Transportation to continue their support of the Hawaii Bicycling League's "Bike/Ed Hawaii Program".

Testimony in support of this measure was submitted by the Department of Education, the Department of Transportation, and a member of the public.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 237 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1324-96 Education on H.C.R. No. 246

The purpose of this concurrent resolution is to urge the Departments of Education and Transportation to continue their support of the Hawaii Bicycling League's "Bike/Ed Hawaii Program".

Testimony in support of this measure was submitted by the Department of Education, the Department of Transportation, and a member of the public.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 246 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1325-96 Education on H.R. No. 51

The purpose of this resolution is to request the United States Congress to enact legislation or an amendment to the United States Constitution to allow meditation or voluntary prayer in public schools.

Supportive testimony was received from Christian Voice of Hawaii, the Family Life Church of Hawaii, the Hawaii Association of Evangelicals, and concerned individuals. The Board of Education and the Rutherford Institute submitted comments on this measure. The Hawaii State Teachers Association and several concerned individuals submitted testimony in opposition to this measure.

Upon careful consideration, your Committee has amended this measure by deleting its substance and inserting new language. As amended, the purpose of this measure is to request the Department of Education to develop a handbook to provide clear, practical guidance to all principals of schools within the state, concerning student religious and cultural expression at graduation exercises and at other times and occasions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 51, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 51, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Shon and Takamine.

SCRep. 1326-96 Education on H.C.R. No. 41

The purpose of this concurrent resolution is to request the United States Congress to enact legislation or an amendment to the United States Constitution to allow meditation or voluntary prayer in public schools.

Supportive testimony was received from Christian Voice of Hawaii, the Family Life Church of Hawaii, the Hawaii Association of Evangelicals, and concerned individuals. The Board of Education and the Rutherford Institute submitted comments on this measure. The Hawaii State Teachers Association and several concerned individuals submitted testimony in opposition to this measure.

Upon careful consideration, your Committee has amended this measure by deleting its substance and inserting new language. As amended, the purpose of this measure is to request the Department of Education to develop a handbook to provide clear, practical guidance to all principals of schools within the state, concerning student religious and cultural expression at graduation exercises and at other times and occasions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 41, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 41, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Shon and Takamine.

SCRep. 1327-96 Education on H.R. No. 79

The purpose of this resolution is to request the Department of Education to convene a School Bus Safety Task Force (Task Force) to study proposals for, and recommend an action plan to implement, a school bus safety program for the island of Kauai.

The Office of the Mayor, County of Kauai, the Department of Accounting and General Services, the Kauai County Council, the Kauai Police Department, the principal of King Kaumuali'i Elementary School, the Kauai Region Director of the Hawaii State Parent-Teacher-Student Association, and several concerned individuals submitted testimony in support of this measure. The Department of Transportation and the Department of Education submitted testimony concurring with the intent of this measure.

Your Committee believes the responsibility to ensure the safety and welfare of students using the school bus transportation system on the island of Kauai, also falls upon the various divisions of local government. Although this problem cannot be solved by the Department of Education alone, your Committee expects the Kauai district superintendent to closely monitor the progress of this Task Force.

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

- (1) Including representatives from other departments of the Kauai county government as members on the Task Force;
- (2) Requiring the Department of Education to submit the findings and recommendations of the Task Force to all of the other counties in the State; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 79, H.D. 1.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1328-96 Education on H.C.R. No. 74

The purpose of this concurrent resolution is to request the Department of Education to convene a School Bus Safety Task Force (Task Force) to study proposals for, and recommend an action plan to implement, a school bus safety program for the island of Kauai.

The Office of the Mayor, County of Kauai, the Department of Accounting and General Services, the Kauai County Council, the Kauai Police Department, the principal of King Kaumuali'i Elementary School, the Kauai Region Director of the Hawaii State Parent-Teacher-Student Association, and several concerned individuals submitted testimony in support of this measure. The Department of Transportation and the Department of Education submitted testimony concurring with the intent of this measure.

Your Committee believes the responsibility to ensure the safety and welfare of students using the school bus transportation system on the island of Kauai, also falls upon the various divisions of local government. Although this problem cannot be solved by the Department of Education alone, your Committee expects the Kauai district superintendent to closely monitor the progress of this Task Force.

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

- (1) Including representatives from other departments of the Kauai county government as members on the Task Force;
- (2) Requiring the Department of Education to submit the findings and recommendations of the Task Force to all of the other counties in the State; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 74, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 74, H.D. 1.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1329-96 Education on H.R. No. 85

The purpose of this resolution is to request the Governor, the Department of Education, and the Board of Education to develop plans for appropriate and affordable after-school activities for students in middle and intermediate school.

The Department of Education submitted testimony in support of the intent of this measure.

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

- (1) Adding that the Governor, the Department of Education and the Board of Education, in cooperation with private and county providers of youth services, are requested to develop plans for appropriate and affordable after-school activities for students in middle and intermediate school; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 85, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 85, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and Yonamine.

SCRep. 1330-96 Education on H.C.R. No. 80

The purpose of this concurrent resolution is to request the Governor, the Department of Education, and the Board of Education to develop plans for appropriate and affordable after-school activities for students in middle and intermediate school.

The Department of Education submitted testimony in support of the intent of this measure.

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

- (1) Adding that the Governor, the Department of Education and the Board of Education, in cooperation with private and county providers of youth services, are requested to develop plans for appropriate and affordable after-school activities for students in middle and intermediate school; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 80, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 80, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and Yonamine.

SCRep. 1331-96 Education on H.R. No. 190

The purpose of this resolution is to request the Department of Education (DOE) to conduct staggered evaluations of all categorical programs every five years.

Testimony on this measure was received from the Department of Education.

Your Committee has amended this resolution by:

- (1) Changing the request for staggered evaluations of all categorical programs every five years to a request for a plan detailing how the DOE will evaluate categorical programs in a timely and systematic manner;
- (2) Amending the title to read "REQUESTING THE DEPARTMENT OF EDUCATION TO DEVELOP A PLAN DETAILING HOW IT WILL EVALUATE CATEGORICAL PROGRAMS IN A TIMELY AND SYSTEMATIC MANNER"; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 190, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 190, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takamine, Takumi, Yonamine and Halford.

SCRep. 1332-96 Education on H.C.R. No. 190

The purpose of this concurrent resolution is to request the Department of Education (DOE) to conduct staggered evaluations of all categorical programs every five years.

Testimony on this measure was received from the Department of Education.

Your Committee has amended this concurrent resolution by:

- (1) Changing the request for staggered evaluations of all categorical programs every five years to a request for a plan detailing how the DOE will evaluate categorical programs in a timely and systematic manner;
- (2) Amending the title to read "REQUESTING THE DEPARTMENT OF EDUCATION TO DEVELOP A PLAN DETAILING HOW IT WILL EVALUATE CATEGORICAL PROGRAMS IN A TIMELY AND SYSTEMATIC MANNER"; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 190, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 190, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takamine, Takumi, Yonamine and Halford.

SCRep. 1333-96 Education on H.C.R. No. 19

The purpose of this concurrent resolution is to urge the United States Congress to continue to provide funds for the Hawaii National Guard Youth Challenge Program.

The Hawaii National Guard Youth Challenge Program fills an important gap in the range of options for at-risk high school youth by providing them with an alternative residential program and positive adult role models from the Hawaii National Guard who serve as mentors for the students.

Supportive testimony was received from the Department of Education and the Judiciary.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Public Safety and Military Affairs, in the form attached hereto as H.C.R. No. 19, H.D. 2.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and Yonamine.

SCRep. 1334-96 Agriculture on H.R. No. 71

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on growing industrial cannabis hemp in Hawaii.

Your Committee notes that the title of the resolution, which requests LRB to "undertake a study to determine the benefits of, and the barriers to growing industrial hemp as an agricultural product," is inconsistent with the "BE IT RESOLVED" clause, which requests LRB to "undertake a study on the feasibility [sic] of establishing a pilot project to conduct agronomic research on industrial cannabis hemp in Hawaii".

Two members of the Hawai'i Drug Policy Options Group and an interested citizen submitted testimony in support of this measure. The County of Hawaii submitted testimony indicating that it would be supportive of such a project if only to determine whether hemp has a potential use for food, fuel, and fiber. Testimony in opposition to this measure was submitted by the Department of Agriculture, the Department of Public Safety, the Honolulu Police Department, and the Department of the Attorney General.

Your Committee recognizes the health, safety, legal, and regulatory concerns raised by several testifiers with regard to allowing cannabis hemp to be grown in the State. However, your Committee also recognizes that the provisions contained in this resolution requests LRB to conduct a study on the feasibility of growing industrial cannabis hemp in Hawaii and does not take a position to allow or prohibit this endeavor.

Accordingly, your Committee has amended this resolution by:

- (1) Requesting LRB to conduct a study on the economic potential, problems, and other related matters of growing nonpsychoactive industrial cannabis hemp as an agricultural product in Hawaii;
- (2) Amending the title of the resolution to conform with the substance, to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY ON THE ECONOMIC POTENTIAL, PROBLEMS, AND OTHER RELATED MATTERS OF GROWING NONPSYCHOACTIVE INDUSTRIAL CANNABIS HEMP AS AN AGRICULTURAL PRODUCT IN HAWAII";
- (3) Specifying what the study is to include;
- (4) Stating that the resolution is to be intended for fact-finding and information-gathering purposes;
- (5) Specifying that the Attorney General, the chiefs of police of the various counties, and the President of the Hawaii Farm Bureau are to receive copies of this measure;
- (6) Including a WHEREAS clause stating that the growing of cannabis hemp in the United States is allowed only by federal permit, and that currently three states have introduced bills to grow industrial cannabis hemp in their jurisdictions; and
- (7) 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 71, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 71, H.D. 1.

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

SCRep. 1335-96 Agriculture on H.C.R. No. 63

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on growing industrial cannabis hemp in Hawaii.

Your Committee notes that the title of the concurrent resolution, which requests LRB to "undertake a study to determine the benefits of, and the barriers to growing industrial hemp as an agricultural product," is inconsistent with the "BE IT RESOLVED" clause, which requests LRB to "undertake a study on the feasibility [sic] of establishing a pilot project to conduct agronomic research on industrial cannabis hemp in Hawaii".

Two members of the Hawai'i Drug Policy Options Group and an interested citizen submitted testimony in support of this measure. The County of Hawaii submitted testimony indicating that it would be supportive of such a project if only to determine whether hemp has a potential use for food, fuel, and fiber. Testimony in opposition to this measure was submitted by the Department of Agriculture, the Department of Public Safety, the Honolulu Police Department, and the Department of the Attorney General.

Your Committee recognizes the health, safety, legal, and regulatory concerns raised by several testifiers with regard to allowing cannabis hemp to be grown in the State. However, your Committee also recognizes that the provisions contained in this concurrent resolution requests LRB to conduct a study on the feasibility of growing industrial cannabis hemp in Hawaii and does not take a position to allow or prohibit this endeavor.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Requesting LRB to conduct a study on the economic potential, problems, and other related matters of growing nonpsychoactive industrial cannabis hemp as an agricultural product in Hawaii;
- (2) Amending the title of the concurrent resolution to conform with the substance, to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY ON THE ECONOMIC POTENTIAL, PROBLEMS, AND OTHER RELATED MATTERS OF GROWING NONPSYCHOACTIVE INDUSTRIAL CANNABIS HEMP AS AN AGRICULTURAL PRODUCT IN HAWAII";
- (3) Specifying what the study is to include;
- (4) Stating that the concurrent resolution is to be intended for fact-finding and information-gathering purposes;
- (5) Specifying that the Attorney General, the chiefs of police of the various counties, and the President of the Hawaii Farm Bureau are to receive copies of this measure;
- (6) Including a WHEREAS clause stating that the growing of cannabis hemp in the United States is allowed only by federal permit, and that currently three states have introduced bills to grow industrial cannabis hemp in their jurisdictions; and
- (7) 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 63, H.D. 1.

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

SCRep. 1336-96 Agriculture on H.R. No. 216

The purposes of this resolution are to:

- (1) Recognize the significant contributions of Hawaii's agriculture industry to the State; and
- (2) Urge the agricultural community to define a vision plan for the future of agriculture.

Testimony in support of this measure was received from the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR), the Hawaii Farm Bureau Federation (HFBF), the Pineapple Growers Association of Hawaii, and the Hawaiian Sugar Planters' Association (HSPA). Comments were submitted by the Department of Agriculture (DOA), which stated that many of the broader issues addressed in the resolution have already been thoroughly discussed and actions were specified in statewide forums, such as the Hawaii Agriculture 2000 conferences, which were held in 1992 and 1993. Furthermore, DOA also stated that it has developed a strategic vision for agriculture. HFBF further stated that it is in the process of coordinating an annual conference that focuses on statewide issues affecting the agriculture industry.

Your Committee has amended this resolution by:

- (1) Amending the title of the resolution to urge the agricultural community to update and implement the Hawaii Agriculture 2000 Vision Plan instead of to define a vision plan for the future of agriculture;
- (2) Specifying the reasons for which the agriculture community must be cohesive in its efforts to address, update, and implement the action goals from the Hawaii Agriculture 2000 Conference;
- (3) Stating that DOA has developed a strategic vision for agriculture;
- (4) Deleting references requesting DOA to define a vision plan for the future of agriculture; and instead requesting the DOA, in conjunction with the BOA, CTAHR, HFBF, the Hawaii Agriculture Research Center, and other

interested agricultural groups to update and implement the Hawaii Agriculture 2000 Vision Plan for the future of agriculture;

- (5) Deleting the Acting Chairperson of GACC from receiving a certified copy of this resolution and instead specifying the President of the Hawaii Agriculture Research Center to receive a copy; and
- (6) 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 concurs with the intent and purpose of H.R. No. 216, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 216, H.D. 1.

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

SCRep. 1337-96 Agriculture on H.C.R. No. 221

The purposes of this concurrent resolution are to:

- (1) Recognize the significant contributions of Hawaii's agriculture industry to the State; and
- (2) Urge the agricultural community to define a vision plan for the future of agriculture.

Testimony in support of this measure was received from the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR), the Hawaii Farm Bureau Federation (HFBB), the Pineapple Growers Association of Hawaii, and the Hawaiian Sugar Planters' Association (HSPA). Comments were submitted by the Department of Agriculture (DOA), which stated that many of the broader issues addressed in the concurrent resolution have already been thoroughly discussed and actions were specified in statewide forums, such as the Hawaii Agriculture 2000 conferences, which were held in 1992 and 1993. Furthermore, DOA also stated that it has developed a strategic vision for agriculture. HFBB further stated that it is in the process of coordinating an annual conference that focuses on statewide issues affecting the agriculture industry.

Your Committee has amended this concurrent resolution by:

- (1) Amending the title of the concurrent resolution to urge the agricultural community to update and implement the Hawaii Agriculture 2000 Vision Plan instead of to define a vision plan for the future of agriculture;
- (2) Specifying the reasons for which the agriculture community must be cohesive in its efforts to address, update, and implement the action goals from the Hawaii Agriculture 2000 Conference;
- (3) Stating that DOA has developed a strategic vision for agriculture;
- (4) Deleting references requesting DOA to define a vision plan for the future of agriculture; and instead requesting the DOA, in conjunction with the BOA, CTAHR, HFBB, the Hawaii Agriculture Research Center, and other interested agricultural groups to update and implement the Hawaii Agriculture 2000 Vision Plan for the future of agriculture;
- (5) Deleting the Acting Chairperson of GACC from receiving a certified copy of this concurrent resolution and instead specifying the President of the Hawaii Agriculture Research Center to receive a copy; and
- (6) 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 concurs with the intent and purpose of H.C.R. No. 221, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 221, H.D. 1.

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

SCRep. 1338-96 Legislative Management on H.C.R. No. 303

The purpose of this concurrent resolution is to request the Auditor to conduct a comprehensive analysis of the effects of issuing state contracts to out-of-state entities on employment and tax revenues levels in the State.

Your Committee recognizes that a strong and thriving construction industry is a key factor in the overall economic health of the State. Furthermore, a competitive marketplace for the award of public contracts is fundamental to the health and well-being of Hawaii's construction industry. However, while both in-state and out-of-state firms compete and obtain the award of public contracts, data is not readily available regarding the effects of out-of-state firms on employment and tax revenues in the State. This measure provides a mechanism to collect and analyze the effects of issuing state contracts to out-of-state entities, which is critical to policy-making.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 303 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1339-96 Intergovernmental Relations and International Affairs on H.R. No. 65

The purpose of this resolution is to authorize the establishment of State-Province relations between Hawaii and Cebu.

Your Committee recognizes that the State of Hawaii and the Philippines have established a State-Province affiliation with Ilocos Sur Province, and further recognizes that the City and County of Honolulu and the City of Cebu are currently participating in a Sister-City relationship. However, your Committee finds no legal conflict in establishing more than one State-Province relationship and finds a Sister-City relationship satisfies only a portion of the objectives of a State-Province relationship.

Testimony in support of this measure was received by the Department of Business, Economic Development, and Tourism, the Filipino Chamber of Commerce of Hawaii, and the members of the Visayan Congress.

The resolution was amended to correct typographic, technical, and stylistic errors; no substantive changes were made.

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.R. No. 65, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 65, H.D. 1.

Signed by all members of the Committee.

SCRep. 1340-96 Intergovernmental Relations and International Affairs on H.C.R. No. 55

The purpose of this concurrent resolution is to authorize the establishment of State-Province relations between Hawaii and Cebu.

Your Committee recognizes that the State of Hawaii and the Philippines have established a State-Province affiliation with Ilocos Sur Province, and further recognizes that the City and County of Honolulu and the City of Cebu are currently participating in a Sister-City relationship. However, your Committee finds no legal conflict in establishing more than one State-Province relationship and finds a Sister-City relationship satisfies only a portion of the objectives of a State-Province relationship.

Testimony in support of this measure was received by the Department of Business, Economic Development, and Tourism, the Filipino Chamber of Commerce of Hawaii, and the members of the Visayan Congress.

The concurrent resolution was amended 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 Intergovernmental Relations and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55, as amended herein, and recommends 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 Committee.

SCRep. 1341-96 Consumer Protection and Commerce and Judiciary on H.R. No. 251

The purpose of this resolution is to ensure the safe operation and proper maintenance of elevators and escalators by requesting:

- (1) The Legislative Reference Bureau to work with various other agencies, organizations, and representatives of the elevator and escalator equipment industry to identify the appropriate government agency that should be responsible for overseeing the safe operation and maintenance of elevators and escalators; and
- (2) The Department of Labor and Industrial Relations (DLIR) to consider making available to the public, the results of its accident investigations, inspections, and tests of elevators and escalators.

Testimony in support of the measure was received from a concerned individual. The Department of Labor and Industrial Relations submitted comments on the measure.

Testimony indicated that after inspecting an elevator, the Boiler and Elevator Inspection Branch (Branch) in DLIR transmits a short report to the appropriate party stating whether the elevator passed or failed the inspection, and if any code violations were noted. This short report does not indicate the degree by which the elevator passed the inspection, and therefore, does not indicate areas that should be monitored more closely. Additionally, the Branch's accident reports are not made public.

Your Committees believe that this measure will help ensure the safe operation and proper maintenance of elevators and escalators.

After carefully considering the merits of the measure and the testimonies received, your Committees have amended the measure by correcting misstatements regarding:

- (1) DLIR's ability to ensure the safety of the growing inventory of over 20,000 regulated items; and
- (2) Making public, information regarding DLIR's accident investigations, inspections, test results, and other similar reports.

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 concur with the intent and purpose of H.R. No. 251, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 251, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Saiki, Swain, Tom, Kawananaoka and Thielen.

SCRep. 1342-96 Consumer Protection and Commerce and Judiciary on H.C.R. No. 260

The purpose of this concurrent resolution is to ensure the safe operation and proper maintenance of elevators and escalators by requesting:

- (1) The Legislative Reference Bureau to work with various other agencies, organizations, and representatives of the elevator and escalator equipment industry to identify the appropriate government agency that should be responsible for overseeing the safe operation and maintenance of elevators and escalators; and
- (2) The Department of Labor and Industrial Relations (DLIR) to consider making available to the public, the results of its accident investigations, inspections, and tests of elevators and escalators.

Testimony in support of the measure was received from a concerned individual. The Department of Labor and Industrial Relations submitted comments on the measure.

Testimony indicated that after inspecting an elevator, the Boiler and Elevator Inspection Branch (Branch) in DLIR transmits a short report to the appropriate party stating whether the elevator passed or failed the inspection, and if any code violations were noted. This short report does not indicate the degree by which the elevator passed the inspection, and therefore, does not indicate areas that should be monitored more closely. Additionally, the Branch's accident reports are not made public.

Your Committees believe that this measure will help ensure the safe operation and proper maintenance of elevators and escalators.

After carefully considering the merits of the measure and the testimonies received, your Committees have amended the measure by correcting misstatements regarding:

- (1) DLIR's ability to ensure the safety of the growing inventory of over 20,000 regulated items; and
- (2) Making public, information regarding DLIR's accident investigations, inspections, test results, and other similar reports.

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 concur with the intent and purpose of H.C.R. No. 260, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 260, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Saiki, Swain, Tom, Kawananaoka and Thielen.

SCRep. 1343-96 Labor and Public Employment on H.R. No. 269

The purpose of this resolution is to request the Auditor to conduct a management audit of the Special Compensation Fund to determine whether it may function more effectively and efficiently as a separate entity with its own administrator and staff devoted solely to its specific purposes, or placed in an administration setting other than the Department of Labor and Industrial Relations.

Your Committee received testimony from the Department of Labor and Industrial Relations, which was neither in favor nor in opposition to the resolution. Additionally, an attorney offered testimony in support of the resolution.

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 concurs with the intent and purpose of H.R. No. 269 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1344-96 Labor and Public Employment on H.C.R. No. 284

The purpose of this concurrent resolution is to request the Auditor to conduct a management audit of the Special Compensation Fund to determine whether it may function more effectively and efficiently as a separate entity with its own administrator and staff devoted solely to its specific purposes, or placed in an administration setting other than the Department of Labor and Industrial Relations.

Your Committee received testimony from the Department of Labor and Industrial Relations, which was neither in favor nor in opposition to the resolution. Additionally, an attorney offered testimony in support of the concurrent resolution.

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 concurs with the intent and purpose of H.C.R. No. 284 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1345-96 Health on H.R. No. 20

The purpose of this resolution is to urge the President of the United States to establish a national blue ribbon commission to re-examine the drug problem in the United States and submit its recommendations to the President, the Congress, and the people of the United States.

Testimony in support of this resolution was submitted by the Convenor of the Hawaii Drug Policy Options Group and a University of Hawaii professor emeritus of pharmacology who was also the former chair of the Hawaii Substance Abuse Task Force. The Department of Health also submitted testimony in support of this measure, but recommended deleting the third paragraph of the resolution relating to the corruption caused by the illegal drug trade as not being necessarily true.

Your Committee finds that every year more and more public moneys are being diverted from other programs to combat the illegal drug trade with little or nothing to show for it. Your Committee believes that the current national drug policy needs to be critically re-examined by a national blue ribbon commission appointed by the President of the United States to search for a better way to deal with drug abuse in this country.

Your Committee has amended this measure by revising the third paragraph of the resolution to reflect the fact that while perhaps a large segment of our society has not been corrupted by the tremendous profits of the illegal drug trade, some segments of our society certainly have been.

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. 20, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 20, H.D. 1.

Signed by all members of the Committee except Representative Anderson.

SCRep. 1346-96 Health on H.C.R. No. 48

The purpose of this concurrent resolution is to urge the President of the United States to establish a national blue ribbon commission to re-examine the drug problem in the United States and submit its recommendations to the President, the Congress, and the people of the United States.

Testimony in support of this concurrent resolution was submitted by the Convenor of the Hawaii Drug Policy Options Group and a University of Hawaii professor emeritus of pharmacology who was also the former chair of the Hawaii Substance Abuse Task Force. The Department of Health also submitted testimony in support of this measure, but recommended deleting the third paragraph of the concurrent resolution relating to the corruption caused by the illegal drug trade as not being necessarily true.

Your Committee finds that every year more and more public moneys are being diverted from other programs to combat the illegal drug trade with little or nothing to show for it. Your Committee believes that the current national drug policy needs to be critically re-examined by a national blue ribbon commission appointed by the President of the United States to search for a better way to deal with drug abuse in this country.

Your Committee has amended this measure by revising the third paragraph of the concurrent resolution to reflect the fact that while perhaps a large segment of our society has not been corrupted by the tremendous profits of the illegal drug trade, some segments of our society certainly have been.

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. 48, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 48, H.D. 1.

Signed by all members of the Committee except Representative Anderson.

SCRep. 1347-96 Health on H.R. No. 185

The purpose of this resolution is to urge the federal government to permit and facilitate research on the efficacy of the medical uses of the cannabis plant, or as it more commonly known, marijuana.

Testimony in support of this resolution was submitted by the Convenor of the Hawaii Drug Policy Options Group and a University of Hawaii professor emeritus of pharmacology who was also the former chair of the Hawaii Substance Abuse Task Force. The Department of Health also submitted testimony supporting this measure, but recommended deleting the sixth and seventh paragraphs of the resolution relating to the National Institute of U.S. Drug Abuse. The Department of the Attorney General and the Department of Public Safety testified in opposition to this measure.

Your Committee finds that the intent of this measure is to facilitate scientific research into the medical use of cannabis. Your Committee further finds that it is only through such research that information can be obtained as to the efficacy and toxicity of the medical uses of cannabis such that a rational policy decision can be made as to whether or not to permit the use of cannabis for medical purposes. Your Committee would like to make clear that it does not in any way support, endorse, or condone the use of marijuana for other than legitimate scientific purposes since such uses are illegal.

After careful consideration, your Committee finds that paragraphs 6 and 7 of this measure may present inaccurate information and therefore, has amended this resolution by:

- (1) Deleting the words, "harmful" and "smoking", found on page 1, line 28; and
- (2) Deleting lines 31 through 36 on page 1 of this measure.

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. 185, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 185, H.D. 1.

Signed by all members of the Committee except Representative Anderson.
(Representative Stegmaier voted no.)

SCRep. 1348-96 Health on H.C.R. No. 185

The purpose of this concurrent resolution is to urge the federal government to permit and facilitate research on the efficacy of the medical uses of the cannabis plant, or as it more commonly known, marijuana.

Testimony in support of this concurrent resolution was submitted by the Convenor of the Hawaii Drug Policy Options Group and a University of Hawaii professor emeritus of pharmacology who was also the former chair of the Hawaii Substance Abuse Task Force. The Department of Health also submitted testimony supporting this measure, but recommended deleting the sixth and seventh paragraphs of the concurrent resolution relating to the National Institute of U.S. Drug Abuse. The Department of the Attorney General and the Department of Public Safety testified in opposition to this measure.

Your Committee finds that the intent of this measure is to facilitate scientific research into the medical use of cannabis. Your Committee further finds that it is only through such research that information can be obtained as to the efficacy and toxicity of the medical uses of cannabis such that a rational policy decision can be made as to whether or not to permit the use of cannabis for medical purposes. Your Committee would like to make clear that it does not in any way support, endorse, or condone the use of cannabis for other than legitimate scientific purposes since such uses are illegal.

After careful consideration, your Committee finds that paragraphs 6 and 7 of this measure may present inaccurate information and therefore, has amended this concurrent resolution by:

- (1) Deleting the words, "harmful" and "smoking", on page 1, line 28; and
- (2) Deleting lines 31 through 36 on page 1 of this measure.

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. 185, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 185, H.D. 1.

Signed by all members of the Committee except Representative Anderson.
(Representative Stegmaier voted no.)

SCRep. 1349-96 Labor and Public Employment on H.R. No. 232

The purpose of this resolution is to establish a temporary Privatization Commission (Commission) to review and evaluate privatization of state government functions, and to evaluate those functions of state government that could be more efficiently performed by the private sector.

The Hawaii Congress on Small Business, the National Federation of Independent Business, the Chamber of Commerce of Hawaii, and the Small Business Council supported this measure.

The United Public Workers strongly opposed this measure.

During the public hearing, the Director of Human Resources Development noted that this measure proposed a necessary and worthwhile endeavor.

Your Committee has amended this measure to:

- (1) Provide that the composition of the Commission include three representatives from business, one to be chosen by the Governor, one to be nominated by the Speaker of the House of Representatives, and one to be nominated by the Senate President;
- (2) Request the Commission to use appropriate and state-of-the-art methods for determining the types, costs, and number of employees needed to enable the various programs to achieve the mission, goals, and objectives of the agency being reviewed and to document their efforts and results in a form that will permit this project to serve as a demonstration model for similar analytical studies in the future; and
- (3) Make 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 concurs with the intent and purpose of H.R. No. 232, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 232, H.D. 1.

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

SCRep. 1350-96 Labor and Public Employment on H.C.R. No. 237

The purpose of this concurrent resolution is to establish a temporary Privatization Commission (Commission) to review and evaluate privatization of state government functions, and to evaluate those functions of state government that could be more efficiently performed by the private sector.

The Hawaii Congress on Small Business, the National Federation of Independent Business, the Chamber of Commerce of Hawaii, and the Small Business Council supported this measure.

The United Public Workers strongly opposed this measure.

During the public hearing, the Director of Human Resources Development noted that this measure proposed a necessary and worthwhile endeavor.

Your Committee has amended this measure to:

- (1) Provide that the composition of the Commission include three representatives from business, one to be chosen by the Governor, one to be nominated by the Speaker of the House of Representatives, and one to be nominated by the Senate President;
- (2) Request the Commission to use appropriate and state-of-the-art methods for determining the types, costs, and number of employees needed to enable the various programs to achieve the mission, goals, and objectives of the agency being reviewed and to document their efforts and results in a form that will permit this project to serve as a demonstration model for similar analytical studies in the future; and
- (3) Make 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 concurs with the intent and purpose of H.C.R. No. 237, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 237, H.D. 1.

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

SCRep. 1351-96 Consumer Protection and Commerce on H.R. No. 208

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study of the impact of provider reimbursement assignment practices of health insurers, health/dental plans, health maintenance organizations (HMOs), and other organizations providing dental health care coverage in Hawaii, on dental care benefits, costs, billing practices, competition, and quality of care.

Testimony in support of the measure was received from: the Hawaii Medical Service Association; Hawaii Dental Service; and concerned citizens.

Your Committee finds that currently, health insurers, health/dental plans, and HMOs operating within the State may provide coverage for dental services through participating provider contracts with dentists. These contracts provide for the direct reimbursement to participating dentists for dental services rendered. In exchange for receiving direct reimbursement, the dentists agree to a pre-arranged fee schedule and, in some cases, perform only certain specified services.

Furthermore, your Committee finds that the dentists who have not contractually agreed to be a participating provider do not receive direct reimbursement for fees and may be reimbursed under different criteria for similar services provided by a participating provider dentist.

Legislation in response to these differing systems of payment was contemplated by the Legislature through H.B. No. 3272, Regular Session of 1996. This legislation would have permitted the insured, health plan beneficiary, or dental plan beneficiary, to assign reimbursement for health or dental services directly to their dentist, regardless if the dentist were a participating provider. Additionally, H.B. No. 3272 would have required the reimbursement to be made under the same criteria and payment schedule established for preferred providers.

Your Committee is cognizant of the concerns raised by both proponents and opponents of the legislation which would have provided a uniform criteria and payment schedule.

According to the proponents:

- (1) Many other states have adopted such legislation;
- (2) Preferred provider plans may financially induce a patient to use a dentist other than the patient's dentist of choice; and
- (3) In some cases a patient may incur a hardship in travelling to a participating dentist's office location.

According to the opponents:

- (1) Preferred provider plans keep costs low and the quality of services high;
- (2) Such legislation would lessen or remove the incentive for dentists to contract as preferred providers; and
- (3) The legislation would be an unwarranted intrusion into contractual agreements.

Accordingly, your Committee finds that based on the divergent testimony received and the possible statewide ramifications, further study is warranted to ascertain the necessity and scope of providing statutory resolution of the issues.

Therefore, this resolution would require that the LRB conduct a study of the reimbursement practices of health insurers, health/dental plans, HMOs, and other organizations.

This resolution, among other things, requests the LRB to:

- (1) Describe and compare the quality, accessibility, costs, and choices of dentists' services;
- (2) Compare the statutes adopted by other states;
- (3) Determine the impact in Hawaii on the cost, utilization, and scope of dentists' services; and
- (4) Assess, if there exist, any conflict with federal or state statutes or regulations concerning competition.

Additionally, your Committee has amended this resolution by 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 Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 208, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 208, H.D. 1.

Signed by all members of the Committee except Representatives Case, Hiraki, Tom and White.

SCRep. 1352-96 Consumer Protection and Commerce on H.C.R. No. 211

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study of the impact of provider reimbursement assignment practices of health insurers, health/dental plans, health maintenance organizations (HMOs), and other organizations providing dental health care coverage in Hawaii, on dental care benefits, costs, billing practices, competition, and quality of care.

Testimony in support of the measure was received from: the Hawaii Medical Service Association; Hawaii Dental Service; and concerned citizens.

Your Committee finds that currently, health insurers, health/dental plans, and HMOs operating within the State may provide coverage for dental services through participating provider contracts with dentists. These contracts provide for the direct reimbursement to participating dentists for dental services rendered. In exchange for receiving direct reimbursement, the dentists agree to a pre-arranged fee schedule and, in some cases, perform only certain specified services.

Furthermore, your Committee finds that the dentists who have not contractually agreed to be a participating provider do not receive direct reimbursement for fees and may be reimbursed under different criteria for similar services provided by a participating provider dentist.

Legislation in response to these differing systems of payment was contemplated by the Legislature through H.B. No. 3272, Regular Session of 1996. This legislation would have permitted the insured, health plan beneficiary, or dental plan beneficiary, to assign reimbursement for health or dental services directly to their dentist, regardless if the dentist were a participating provider. Additionally, H.B. No. 3272 would have required the reimbursement to be made under the same criteria and payment schedule established for preferred providers.

Your Committee is cognizant of the concerns raised by both proponents and opponents of the legislation which would have provided a uniform criteria and payment schedule.

According to the proponents:

- (1) Many other states have adopted such legislation;
- (2) Preferred provider plans may financially induce a patient to use a dentist other than the patient's dentist of choice; and
- (3) In some cases a patient may incur a hardship in travelling to a participating dentist's office location.

According to the opponents:

- (1) Preferred provider plans keep costs low and the quality of services high;
- (2) Such legislation would lessen or remove the incentive for dentists to contract as preferred providers; and
- (3) The legislation would be an unwarranted intrusion into contractual agreements.

Accordingly, your Committee finds that based on the divergent testimony received and the possible statewide ramifications, further study is warranted to ascertain the necessity and scope of providing statutory resolution of the issues.

Therefore, this concurrent resolution would require that the LRB conduct a study of the reimbursement practices of health insurers, health/dental plans, HMOs, and other organizations.

This concurrent resolution, among other things, requests the LRB to:

- (1) Describe and compare the quality, accessibility, costs, and choices of dentists' services;
- (2) Compare the statutes adopted by other states;
- (3) Determine the impact in Hawaii on the cost, utilization, and scope of dentists' services; and
- (4) Assess, if there exist, any conflict with federal or state statutes or regulations concerning competition.

Additionally, your Committee has amended this resolution by 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 Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 211, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 211, H.D. 1.

Signed by all members of the Committee except Representatives Case, Hiraki, Tom and White.

SCRep. 1353-96 Judiciary on H.C.R. No. 169

The purpose of this concurrent resolution is to request the Auditor to conduct a performance audit of the Hawaii public procurement system to determine whether all qualified persons have an equal opportunity to provide professional services in their areas of expertise.

Testimony in support of this measure was received by a member of 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 concurs with the intent and purpose of H.C.R. No. 169 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Menor, Saiki, Swain and Yoshinaga.

SCRep. 1354-96 Intergovernmental Relations and International Affairs on H.R. No. 117

The purpose of this resolution is to request the East-West Center to become more involved by offering its facilities for international commerce activities.

Your Committee finds that the East-West Center can play a significant role in international commerce if it recognizes that international business, economic cooperation, and commerce are critical issues and directs its programs and resources in this direction. Your Committee further finds that the East-West Center has the capacity to be both an international business center between the United States and Asia and a catalyst for promoting the local economy, given the center's excellent resources which could be used by business associations for international commerce activities.

Testimony in support of this measure was received by the Department of Business, Economic Development, and Tourism. Also submitting testimony in support of the intent of this measure was the East-West Center, which proposed some amendments.

The resolution was amended to correct typographic, technical, and stylistic errors; no substantive changes were made.

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.R. No. 117, as amended herein, and recommends that it be referred to the Committee on Higher Education and the Arts, in the form attached hereto as H.R. No. 117, H.D. 1.

Signed by all members of the Committee.

SCRep. 1355-96 Intergovernmental Relations and International Affairs on H.C.R. No. 112

The purpose of this concurrent resolution is to request the East-West Center to become more involved by offering its facilities for international commerce activities.

Your Committee finds that the East-West Center can play a significant role in international commerce if it recognizes that international business, economic cooperation, and commerce are critical issues and directs its programs and resources in this direction. Your Committee further finds that the East-West Center has the capacity to be both an international business center between the United States and Asia and a catalyst for promoting the local economy, given the center's excellent resources which could be used by business associations for international commerce activities.

Testimony in support of this measure was received by the Department of Business, Economic Development, and Tourism. Also submitting testimony in support of the intent of this measure was the East-West Center, which proposed some amendments.

The concurrent resolution was amended to correct typographic, technical, and stylistic errors; no substantive changes were made.

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. 112, as amended herein, and recommends that it be referred to the Committee on Higher Education and the Arts, in the form attached hereto as H.C.R. No. 112, H.D. 1.

Signed by all members of the Committee.

SCRep. 1356-96 Intergovernmental Relations and International Affairs and Labor and Public Employment on H.R. No. 52

The purpose of this resolution is to express disapproval to the Legislature of the Commonwealth of the Northern Mariana Islands for approving legislation establishing a six-month freeze in the local minimum wage.

Your Committees recognize the possible strain this measure may have on the relationship between the State of Hawaii and the Commonwealth of the Northern Mariana Islands. Your Committees further find that increasing the minimum wage by 30 cents would help bridge the gap between the resident labor force, whose salaries are usually higher than the minimum wage, and the mostly minimum-wage earning foreign workers. Therefore, regardless of the tensions that may arise, your Committees find it necessary to address the legislature of the Commonwealth of the Northern Mariana Islands for its infringement upon the labor and the human rights of its workforce through the enactment of the postponement bill.

Testimony in support of this measure was received by the Filipino Coalition for Solidarity, which proposed amendments. Supportive testimony was also received by the Social Action Committee of the Oahu Filipino Community Council.

The resolution was amended to correct certain typographic, technical, and stylistic errors; no substantive changes were made.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Relations and International Affairs and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 52, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 52, H.D. 1.

Signed by all members of the Committees except Representatives Case and Hiraki.
(Representative Ward voted no.)

SCRep. 1357-96 Intergovernmental Relations and International Affairs and Labor and Public Employment on H.C.R. No. 42

The purpose of this concurrent resolution is to express disapproval to the Legislature of the Commonwealth of the Northern Mariana Islands for approving legislation establishing a six-month freeze in the local minimum wage.

Your Committees recognize the possible strain this measure may have on the relationship between the State of Hawaii and the Commonwealth of the Northern Mariana Islands. Your Committees further find that increasing the minimum wage by 30 cents would help bridge the gap between the resident labor force, whose salaries are usually higher than the minimum wage, and the mostly minimum-wage earning foreign workers. Therefore, regardless of the tensions that may arise, your Committees find it necessary to address the legislature of the Commonwealth of the Northern Mariana Islands for its infringement upon the labor and the human rights of its workforce through the enactment of the postponement bill.

Testimony in support of this measure was received by the Filipino Coalition for Solidarity, which proposed amendments. Supportive testimony was also received by the Social Action Committee of the Oahu Filipino Community Council.

The concurrent resolution was amended to correct typographic, technical, and stylistic errors; no substantive changes were made.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Relations and International Affairs and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 42, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 42, H.D. 1.

Signed by all members of the Committees except Representatives Case and Hiraki.
(Representative Ward voted no.)

**"DISSENT TO STAND. COM. REP. NOS. 1356-96 AND 1357-96
Honolulu, Hawaii
March 21, 1996**

RE: H.R. No. 52, HD 1 and H.C.R. No. 42, HD 1

I the undersigned dissenting member of the Committee on Intergovernmental Relations and International Affairs, and the Committee on Labor and Public Employment oppose entangling the State of Hawaii in the legislative, political and economic affairs of the Commonwealth of the Northern Mariana Islands (CNMI) and begs leave to file this dissent to Standing Committee Report Nos. 1356-96 and 1357-96 in reference to H.R. 52 and H.C.R. 42, **ESTABLISHING STRONG DISAPPROVAL OF THE LEGISLATURE OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS FOR APPROVING LEGISLATION ESTABLISHING A SIX-MONTH FREEZE IN THE LOCAL MINIMUM WAGE.**

With passage of a resolution condemning CNMI's legislative initiative to freeze a minimum wage increase for a period of six months, the State of Hawaii would, in effect, risk jeopardizing the friendly political and economic relations between this Pacific territory and the Hawaiian Islands.

Passage of this resolution would also set a dangerous precedent for other like-minded efforts to pass judgments on other states' or territories' legislative actions. With lack of foresight and time to absorb comprehensive and balanced information, the Hawaii State Legislature may commit diplomatic error that could alienate itself from other Pacific territories and in the worse case scenario, the Pacific community at large.

Additionally, the State of Hawaii may be perceived by the CNMI as developing a paternalistic attitude toward its economically and politically less influential island neighbors. The State of Hawaii should show the respect due to the CNMI Legislature as it is a political body composed of elected officials, who have every bit of the intelligence and compassion as our own State Legislature members. I, the dissenting member, feel that the CNMI is composed of legislators who are completely competent in making legislative decisions affecting their people.

The State should also realize that the establishment of minimum wages set lower than those required nationally are strictly matters of concern between the U.S. federal government and the state or territory at odds with the federal mandates. It is not within the scope of normal state to state relations to pass official judgment, or in this case, official censure, on the legislative actions of another. For this reason, Senator Akaka is looking into the issue personally. We can thus be assured that the matter in question is being dealt with by the appropriate people and in the proper capacity, as befits Hawaii's congressional delegation.

Finally, it should be highlighted that the issue at hand, a delay in the increase of the Northern Mariana minimum wage, is a relatively small matter. I, the dissenting member, deem this issue to be so, because of the fact that by the year 2000 the minimum wage levels of the Northern Mariana Territory will be set at national levels. Because of this understanding, I, the dissenting member, feel that a resolution is uncalled for and thus suggest that the resolutions at issue be turned into a letter for all concerned members to sign. I feel that this will diminish the risk of an unnecessary diplomatic rift.

The political ramifications of the passage of H.R. 52 and H.C.R. 42 cannot at this time be accurately assessed. However, I feel that the State of Hawaii would be committing an unnecessary slight to the CNMI Legislature without regard to the diplomatic fallout that would result. I therefore oppose passage of H.R. 52 and H.C.R. 42."

(Signed by Representative Gene Ward)

SCRep. 1358-96 Tourism on H.R. No. 173

The purpose of this resolution is to request the International Olympic Committee, the U.S. Olympic Committee, and the International Olympic Organizing Committee to recognize and to initiate the process of designating surfing and outrigger canoe racing as Olympic sports.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, and the Office of Hawaiian Affairs.

Your Committee finds that the inclusion of surfing and outrigger canoe racing in the Olympic games will promote Hawaiian culture and increase awareness of Hawaiian history and culture in the state and around the world, encourage travel to Hawaii, and expand Hawaii's role as an international sports center.

Development of Hawaii in the international sports market would improve the economy by diversifying the travel industry away from the casual vacation market.

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. 173 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

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

SCRep. 1359-96 Tourism on H.C.R. No. 171

The purpose of this concurrent resolution is to request the International Olympic Committee, the U.S. Olympic Committee, and the International Olympic Organizing Committee to recognize and to initiate the process of designating surfing and outrigger canoe racing as Olympic sports.

Your Committee received testimony in support of this concurrent resolution from the Department of Business, Economic Development, and Tourism, and the Office of Hawaiian Affairs.

Your Committee finds that the inclusion of surfing and outrigger canoe racing in the Olympic games will promote Hawaiian culture and increase awareness of Hawaiian history and culture in the state and around the world, encourage travel to Hawaii, and expand Hawaii's role as an international sports center.

Development of Hawaii in the international sports market would improve the economy by diversifying the travel industry away from the casual vacation market.

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. 171 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

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

SCRep. 1360-96 Tourism on H.R. No. 157

The purpose of this resolution is to:

- (1) Declare the support of the House of Representatives for the efforts of the Hawaii Congressional Delegation and the U.S.S. Missouri Memorial Association, Inc. in homeporting the U.S.S. Missouri at Battleship Row, Pearl Harbor, Hawaii; and
- (2) Request the Department of Business, Economic Development, and Tourism to analyze the impact of expanding the use of special purpose revenue bonds to include the development of infrastructure for the U.S.S. Missouri and for public use visitor industry infrastructure in general, and report its findings and recommendations to the Legislature.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, the Department of Defense Office of Veterans Services, the U.S.S. Missouri Memorial Association, the Chamber of Commerce, the Hawaii Business Roundtable, and the Sons and Daughters of the MISVA.

Your Committee finds that locating the U.S.S. Missouri in Pearl Harbor would reinforce the strong link between Hawaii and World War II, and, by locating it in close proximity to the U.S.S. Arizona memorial, would bring together the symbols of the beginning and the end of U.S. involvement in World War II.

Your Committee revised this resolution by:

- (1) Removing references to the review of current laws limiting the issuance of special purpose revenue bonds by the Legislative Reference Bureau;
- (2) Removing references to analysis of the impact of expansion of the use of special purpose revenue bonds by the Department of Business, Economic Development and Tourism;
- (3) Substituting "locating" or "mooring" for the term "homeporting" in the title and body of the resolution;
- (4) Substituting the correct hull number, BB-63 for B-66 in the title.
- (5) Specifying transmittal of the resolution to the U.S. Secretary of the Navy and the Hawaii Business Roundtable; and
- (6) 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. 157, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 157, H.D. 1.

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

SCRep. 1361-96 Tourism on H.C.R. No. 155

The purpose of this concurrent resolution is to:

- (1) Declare the support of the House of Representatives for the efforts of the Hawaii Congressional Delegation and the U.S.S. Missouri Memorial Association, Inc. in homeporting the U.S.S. Missouri at Battleship Row, Pearl Harbor, Hawaii; and
- (2) Request the Department of Business, Economic Development, and Tourism to analyze the impact of expanding the use of special purpose revenue bonds to include the development of infrastructure for the U.S.S. Missouri and for public use visitor industry infrastructure in general, and report its findings and recommendations to the Legislature.

Your Committee received testimony in support of this concurrent resolution from the Department of Business, Economic Development and Tourism, the Department of Defense Office of Veterans Services, the U.S.S. Missouri Memorial Association, the Chamber of Commerce, the Hawaii Business Roundtable, and the Sons and Daughters of the MISVA.

Your Committee finds that locating the U.S.S. Missouri in Pearl Harbor would reinforce the strong link between Hawaii and World War II, and, by locating it in close proximity to the U.S.S. Arizona memorial, would bring together the symbols of the beginning and the end of U.S. involvement in World War II.

Your Committee revised this concurrent resolution by:

- (1) Removing references to the review of current laws limiting the issuance of special purpose revenue bonds by the Legislative Reference Bureau;
- (2) Removing references to analysis of the impact of expansion of the use of special purpose revenue bonds by the Department of Business, Economic Development and Tourism;
- (3) Substituting "locating" or "mooring" for the term "homeporting" in the title and body of the concurrent resolution;
- (4) Substituting the correct hull number, BB-63 for B-66 in the title.
- (5) Specifying transmittal of the concurrent resolution to the U.S. Secretary of the Navy and the Hawaii Business Roundtable; and
- (6) 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. 155 as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 155, H.D. 1.

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

SCRep. 1362-96 Tourism on H.R. No. 245

The purpose of this resolution is to direct the House of Representatives Committee on Energy and Environmental Protection to meet during the interim and discuss environmental ecotourism policies for Hawaii.

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

Your Committee finds that the existing Ecotourism Advisory Committee, administered jointly by the Department of Business, Economic Development, and Tourism, and the Department of Land and Natural Resources, has already made significant progress toward developing a comprehensive ecotourism policy and plan for the state.

Your Committee revised this resolution by:

- (1) Substituting "ecotourism" for "environmental ecotourism";
- (2) Directing the resolution to the Committee on Tourism, in cooperation with the Committee on Energy and Environmental Protection, to meet during the interim with the existing Ecotourism Advisory Committee, to discuss ecotourism policies for Hawaii;
- (3) Specifying that the Committee on Tourism, in cooperation with the Committee on Energy and Environmental Protection, draft appropriate legislation resulting from the meetings; 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. 245, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 245, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Lee and White.

SCRep. 1363-96 Hawaiian Affairs and Housing on H.R. No. 147

The purpose of this resolution is to honor the life and contributions of Henry Opukaha'ia by establishing a commission to study the acquisition and placement of his statue on the State Capitol grounds.

The Department of Accounting and General Services testified in support of this measure and suggested an amendment. The Hawaii Association of Evangelicals, the Henry Opukaha'ia Academy, and a member of the Opukaha'ia ohana also supported this measure. A concerned individual offered comments.

Your Committee has amended this measure by:

- (1) Clarifying that the statue be placed in the State Capitol District instead of on the grounds of the State Capitol; accordingly, the title has been amended to read as follows:

"REQUESTING THE ESTABLISHMENT OF A COMMISSION TO STUDY THE ACQUISITION AND PLACEMENT OF A STATUE OF HENRY OPUKAHA'IA IN THE STATE CAPITOL DISTRICT"; and

- (2) Requesting that the commission develop a curriculum plan focusing on Henry Opukaha'ia that could be utilized in the public schools.

It is your Committee's intent that placement of the statue in the State Capitol District excludes the grounds of Iolani Palace.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 147, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Saiki and Stegmaier.

SCRep. 1364-96 Hawaiian Affairs and Housing on H.C.R. No. 146

The purpose of this concurrent resolution is to honor the life and contributions of Henry Opukaha'ia by establishing a commission to study the acquisition and placement of his statue on the State Capitol grounds.

The Department of Accounting and General Services testified in support of this measure and suggested an amendment. The Hawaii Association of Evangelicals, the Henry Opukaha'ia Academy, and a member of the Opukaha'ia ohana also supported this measure. A concerned individual offered comments.

Your Committee has amended this measure by:

- (1) Clarifying that the statue be placed in the State Capitol District instead of on the grounds of the State Capitol; accordingly, the title has been amended to read as follows:

"REQUESTING THE ESTABLISHMENT OF A COMMISSION TO STUDY THE ACQUISITION AND PLACEMENT OF A STATUE OF HENRY OPUKAHA'IA IN THE STATE CAPITOL DISTRICT"; and

- (2) Requesting that the commission develop a curriculum plan focusing on Henry Opukaha'ia that could be utilized in the public schools.

It is your Committee's intent that placement of the statue in the State Capitol District excludes the grounds of Iolani Palace.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 146, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Saiki and Stegmaier.

SCRep. 1365-96 Consumer Protection and Commerce on H.R. No. 131

The purpose of this resolution is to request that the Department of Commerce and Consumer Affairs amend its rules to require that state licensed and certified appraisers comply with the Uniform Standards of Professional Appraisal Practice, (USPAP), in preparing federally related and non-federally related appraisals.

Testimony in support of the resolution was received from the Hawaii Financial Services Association, Hawaii Public Interest Advocate, and several concerned industry professionals and citizens. The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Chapter of the Appraisal Institute testified in opposition to the resolution.

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, (FIRREA), established, among other requirements, that real estate appraisals used in connection with federally related transactions must be performed in accordance with uniform standards promulgated by the Appraisal Standards Board (Board) of the Appraisal Foundation. Pursuant to the FIRREA, the Board adopted the Uniform Standards of Professional Appraisal Practice (USPAP) as the applicable appraisal standard. Chapter 466K, HRS, implements the requirements of Title XI of the FIRREA for federally related real estate transactions conducted in the state.

This resolution calls for DCCA to amend its administrative rules to require the application of the USPAP by licensed and certified appraisers in conducting all appraisals, including those undertaken in connection with non-federally related transactions. Proponents of the resolution argue that mandating the USPAP's application in all appraisals will promote uniformity and consistency among appraisals, and result in fairer appraisals for purposes of arbitration and lease rent negotiations.

However, your Committee finds that further study is necessary before a recommendation can be made for the State's adoption of the USPAP as the standard for all appraisals. Appraisals are performed for various non-federally related purposes such as probate, real property tax assessments, and consultation. Not all appraisals necessarily warrant the same level or extent of analysis and reporting as is required for federally related transactions. Your Committee is concerned that mandating compliance with the USPAP for all appraisals would adversely impact consumers through the assessment of appraisal fees for additional, unnecessary services.

Accordingly, your Committee has amended this resolution, including its title and portions of its text, to request that the Department of Commerce and Consumer Affairs study the feasibility of requiring licensed and certified appraisers to perform all appraisals in accordance with the USPAP, and report its findings to the Legislature prior to the convening of the 1997 regular session.

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 concurs with the intent and purpose of H.R. No. 131 as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 131, H.D. 1.

Signed by all members of the Committee except Representatives Case, Hiraki, Tom and White.

SCRep. 1366-96 Consumer Protection and Commerce on H.C.R. No. 130

The purpose of this concurrent resolution is to request that the Department of Commerce and Consumer Affairs amend its rules to require that state licensed and certified appraisers comply with the Uniform Standards of Professional Appraisal Practice, (USPAP), in preparing federally related and non-federally related appraisals.

Testimony in support of the resolution was received from the Hawaii Financial Services Association, Hawaii Public Interest Advocate, and several concerned industry professionals and citizens. The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Chapter of the Appraisal Institute testified in opposition to the concurrent resolution.

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, (FIRREA), established, among other requirements, that real estate appraisals used in connection with federally related transactions must be performed in accordance with uniform standards promulgated by the Appraisal Standards Board (Board) of the Appraisal Foundation. Pursuant to the FIRREA, the Board adopted the Uniform Standards of Professional Appraisal Practice (USPAP) as the applicable appraisal standard. Chapter 466K, HRS, implements the requirements of Title XI of the FIRREA for federally related real estate transactions conducted in the state.

This concurrent resolution calls for DCCA to amend its administrative rules to require the application of the USPAP by licensed and certified appraisers in conducting all appraisals, including those undertaken in connection with non-federally related transactions. Proponents of the concurrent resolution argue that mandating the application of the USPAP in all appraisals will promote uniformity and consistency among appraisals, and result in fairer appraisals for purposes of arbitration and lease rent negotiations.

However, your Committee finds that further study is necessary before a recommendation can be made for the State's adoption of the USPAP as the standard for all appraisals. Appraisals are performed for various non-federally related purposes such as probate, real property tax assessments, and consultation. Not all appraisals necessarily warrant the same level or extent of analysis and reporting as is required for federally related transactions. Your Committee is concerned that mandating compliance with the USPAP for all appraisals would adversely impact consumers through the assessment of appraisal fees for additional, unnecessary services.

Accordingly, your Committee has amended this concurrent resolution, including its title and portions of its text, to request that the Department of Commerce and Consumer Affairs study the feasibility of requiring licensed and certified appraisers to perform all appraisals in accordance with the USPAP, and report its findings to the Legislature prior to the convening of the 1997 regular session.

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 concurs with the intent and purpose of H.C.R. No. 130, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 130, H.D. 1.

Signed by all members of the Committee except Representatives Case, Hiraki, Tom and White.

SCRep. 1367-96 Tourism on H.R. No. 149

The purpose of this resolution is to request the State Foundation on Culture and the Arts and the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the counties to support and cooperate with the Arts Calendar--Hawaii's Database to publicize arts and culture activities in combination with other tourism promotions to diversify the economy.

In addition, the resolution requests the Governor to declare 1997 as the Year of Hawaii's Art and Culture.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, the Hawaii Visitors Bureau, Waikiki Gallery, Hawaii Watercolor Society, Arts Calendar Hawaii, and two concerned individuals.

Your Committee finds that disseminating information to tourists on arts and culture activities in Hawaii will enhance the quality of the visitor experience and, by emphasizing Hawaii's unique culture, will help Hawaii set itself apart from other sun-surf-sand destinations.

In addition to its enhancement of the quality of life for residents, the arts and culture industry holds great potential for economic expansion, particularly if its growth is coordinated with the well-established travel industry, as proposed in the resolution.

Your Committee further finds that, if designated, the declaration of 1997 as the Year of Hawaii's Art and Culture should include the Arts Festival Hawaii.

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

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

SCRep. 1368-96 Tourism on H.C.R. No. 147

The purpose of this concurrent resolution is to request the State Foundation on Culture and the Arts and the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, and the counties to support and cooperate with the Arts Calendar--Hawaii's Database to publicize arts and culture activities in combination with other tourism promotions to diversify the economy.

In addition, the concurrent resolution requests the Governor to declare 1997 as the Year of Hawaii's Art and Culture.

Your Committee received testimony in support of this concurrent resolution from the Department of Business, Economic Development and Tourism, the Hawaii Visitors Bureau, Waikiki Gallery, Hawaii Watercolor Society, Arts Calendar Hawaii, and two concerned individuals.

Your Committee finds that disseminating information to tourists on arts and culture activities in Hawaii will enhance the quality of the visitor experience and, by emphasizing Hawaii's unique culture, will help Hawaii set itself apart from other sun-surf-sand destinations.

In addition to its enhancement of the quality of life for residents, the arts and culture industry holds great potential for economic expansion, particularly if its growth is coordinated with the well-established travel industry, as proposed in the concurrent resolution.

Your Committee further finds that, if designated, the declaration of 1997 as the Year of Hawaii's Art and Culture should include the Arts Festival Hawaii.

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

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

SCRep. 1369-96 Human Services on H.C.R. No. 157

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study to determine the feasibility of establishing a services to the deaf branch within the Department of Human Services (DHS).

Submitting testimony in support of the measure were the Hawaii State Coordinating Council on Deafness, the Aloha State Association of the Deaf, and several deaf or hard of hearing persons.

The Commission on Persons with Disabilities supported the intent of the measure.

DHS testified that it is making changes to improve its services to deaf persons. However, DHS cited the high administrative costs of establishing a new branch and did not support the measure due to the state's fiscal situation.

Your Committee has amended the measure by:

- (1) Revising the title to read: "REQUESTING A STUDY TO DETERMINE HOW TO IMPROVE PRE-VOCATIONAL AND VOCATIONAL SERVICES FOR DEAF AND HARD OF HEARING PERSONS WITHIN THE DEPARTMENT OF HUMAN SERVICES,"
- (2) Reflecting the change in the body of the measure;
- (3) Requesting DHS to consider the establishment of a services to the deaf branch or other restructuring alternatives;
- (4) Requesting DHS to consult with certain agencies and with individuals who are deaf or hard of hearing;
- (5) Requesting DHS to submit a report of the findings, completed actions, and future plans regarding restructuring; and
- (6) Making 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 concurs with the intent and purpose of H.C.R. No. 157, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 157, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina and Kawanakoa.

SCRep. 1370-96 Human Services on H.C.R. No. 187

The purpose of this concurrent resolution is to request the City and County of Honolulu to utilize city park property for affordable child day care programs and to encourage the Counties of Kauai, Maui, and Hawaii to propose amendments to their respective charters to provide for affordable child day care programs of county park property similar to that adopted by the City and County of Honolulu.

The Department of Human Services, the Office of Children and Youth, Office of the Governor, and the Department of Parks and Recreation, City and County of Honolulu, submitted testimony in support of this measure.

Your Committee recognizes that affordable child day care programs are woefully lacking and that this is becoming an important social issue because of the high number of families having both spouses working to maintain their standard of living in Hawaii. Your Committee further finds that City and County parks throughout Hawaii are underutilized for the purpose of establishing early childhood education and care centers. Thus, your Committee encourages all counties to consider integrating their parks for child day care centers when underutilized by their respective communities.

Your Committee has amended this House Concurrent Resolution by:

- (1) Inserting into the title of the concurrent resolution that the City and County of Honolulu continue its laudable efforts to utilize city park property for affordable child day care programs;
- (2) Commending the City and County of Honolulu for its efforts to provide affordable early childhood education and care, and is requested to continue to utilize such property for child day care programs;
- (3) Urging other public and private agencies to collaborate to create affordable early childhood education and care opportunities;
- (4) Adding the Good Beginnings Alliance to the group of recipients whom this concurrent resolution shall be transmitted to; and
- (5) Making 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 concurs with the intent and purpose of H.C.R. No. 187, 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. 187, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa and Kawanakoa.

SCRep. 1371-96 Economic Development and Business Concerns and Tourism on H.R. No. 260

The purpose of this resolution is to support the relocation of the United States Institute of Peace (Institute) to Hawaii.

Testimony in support of the resolution was submitted by DBEDT.

Your Committees note that one reason for relocating the Institute to Hawaii is the cost-savings that would result by operating the Institute out of government-owned facilities at the East-West Center. Shared administrative expenses and fund-raising resources could also result from having both the Institute and the Matsunaga Peace Institute, currently located at the University of Hawaii, in close proximity to each other.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 260 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Herkes and White.

SCRep. 1372-96 Economic Development and Business Concerns and Tourism on H.C.R. No. 269

The purpose of this concurrent resolution is to support the relocation of the United States Institute of Peace (Institute) to Hawaii.

Testimony in support of the concurrent resolution was submitted by DBEDT.

Your Committees note that one reason for relocating the Institute to Hawaii is the cost-savings that would result by operating the Institute out of government-owned facilities at the East-West Center. Shared administrative expenses and fund-raising resources could also result from having both the Institute and the Matsunaga Peace Institute, currently located at the University of Hawaii, in close proximity to each other.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 269 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Herkes and White.

SCRep. 1373-96 Economic Development and Business Concerns and Tourism on H.R. No. 258

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), in cooperation with the Department of Agriculture, to enter into a memorandum of understanding with county research and development agencies and nonprofit county economic development boards to facilitate a Blue Ribbon Economic Recovery Task Force (Task Force) to develop realistic and measurable plans and project implementation schedules for targeted economic development projects.

Testimony in support of this resolution was submitted by DBEDT and the Office of Hawaiian Affairs. The Kauai Economic Development Board and the Hawaii Island Economic Development Board submitted comments on this measure.

Upon consideration, your Committees have amended this resolution by:

- (1) Adding three WHEREAS clauses referencing the importance of stimulating construction in the State and the necessity for expediting and facilitating the approval process for county building permits requiring state agency approval;
- (2) Requesting DBEDT to:
 - (a) Examine the source of inefficiencies, delays, and duplications pertaining to the state permit approval process and the consolidated application process;
 - (b) Recommend ways to expedite and facilitate the permit approval process within each state agency for applicants seeking state permit approval to start construction; and
 - (c) Examine ways to achieve greater coordination, interaction, and communication among and within various state agencies, as well as among the federal, state and county governments;
- (3) Requesting that copies of this resolution also be transmitted to the Director of Transportation and the Director of Health; and
- (4) 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 Tourism that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 258 as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 258, H.D. 1.

Signed by all members of the Committees except Representatives Chang, Herkes and White.

SCRep. 1374-96 Economic Development and Business Concerns and Tourism on H.C.R. No. 267

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), in cooperation with the Department of Agriculture, to enter into a memorandum of understanding with county research and development agencies and nonprofit county economic development boards to facilitate a Blue Ribbon Economic Recovery Task Force (Task Force) to develop realistic and measurable plans and project implementation schedules for targeted economic development projects.

Testimony in support of this concurrent resolution was submitted by DBEDT and the Office of Hawaiian Affairs. The Kauai Economic Development Board and the Hawaii Island Economic Development Board submitted comments on this measure.

Upon consideration, your Committees have amended this concurrent resolution by:

- (1) Adding three WHEREAS clauses referencing the importance of stimulating construction in the State and the necessity for expediting and facilitating the approval process for county building permits requiring state agency approval;
- (2) Requesting DBEDT to:
 - (a) Examine the source of inefficiencies, delays, and duplications pertaining to the state permit approval process and the consolidated application process;
 - (b) Recommend ways to expedite and facilitate the permit approval process within each state agency for applicants seeking state permit approval to start construction; and
 - (c) Examine ways to achieve greater coordination, interaction, and communication among and within various state agencies, as well as among the federal, state and county governments;
- (3) Requesting that copies of this concurrent resolution also be transmitted to the Director of Transportation and the Director of Health; and
- (4) 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 Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 267 as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 267, H.D. 1.

Signed by all members of the Committees except Representatives Chang, Herkes and White.

SCRep. 1375-96 Labor and Public Employment on H.R. No. 292

The purpose of this resolution is to request the Department of Human Resources Development (DHRD) to develop a comprehensive civil service reform plan.

The Hawaii Government Employees Association and DHRD provided testimony in support of this measure.

Your Committee finds that during the present period of downsizing and restructuring, human resource issues are of critical importance and civil service reform has been given a high priority by the present administration. DHRD is requested to cover areas, including but not limited to recruitment and examination, labor relations and collective bargaining, training and safety, classification, compensation, employee assistance and morale, automation, and the advisability of maintaining the existing requirement for uniformity among the public jurisdictions.

Your Committee has amended this measure to specify that certified copies of the resolution be transmitted to the exclusive representatives of the Hawaii Government Employees Association, the Hawaii State Teachers Association, the University of Hawaii Professional Assembly, the United Public Workers, the Hawaii Fire Fighters' Association, and the State of Hawaii Organization of Police Officers. Technical, nonsubstantive amendments were also made for the 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 concurs with the intent and purpose of H.R. No. 292, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 292, H.D. 1.

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

SCRep. 1376-96 Labor and Public Employment on H.C.R. No. 315

The purpose of this concurrent resolution is to request the Department of Human Resources Development (DHRD) to develop a comprehensive civil service reform plan.

The Hawaii Government Employees Association and DHRD provided testimony in support of this measure.

Your Committee finds that during the present period of downsizing and restructuring, human resource issues are of critical importance and civil service reform has been given a high priority by the present administration. DHRD is requested to cover areas, including but not limited to recruitment and examination, labor relations and collective bargaining, training and safety, classification, compensation, employee assistance and morale, automation, and the advisability of maintaining the existing requirement for uniformity among the public jurisdictions.

Your Committee has amended this measure to specify that certified copies of this concurrent resolution be transmitted to the exclusive representatives of the Hawaii Government Employees Association, the Hawaii State Teachers Association, the University of Hawaii Professional Assembly, the United Public Workers, the Hawaii Fire Fighters' Association, and the State of Hawaii Organization of Police Officers. Technical, nonsubstantive amendments were also made for the 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 concurs with the intent and purpose of H.C.R. No. 315, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 315, H.D. 1.

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

SCRep. 1377-96 Water and Land Use Planning on H.R. No. 57

The purpose of this resolution, as received by your Committee, is to:

- (1) Request the assistance of the Governor in ensuring the maintenance of lower Hamakua ditch for irrigation purposes of the area's prime agricultural lands;
- (2) Direct the Board of Agriculture (BOA) to work with the United States Department of Agriculture Natural Resources Conservation Services (NRCS) for improvements to the ditch's watershed project and to provide matching funds for the project; and
- (3) Direct the BOA to work with area landowners in maintaining the ditch and ensuring the availability of water for future agricultural purposes.

The Department of Agriculture supported this resolution provided that its biennium budget would not be impacted by the adoption of this measure. The Hawaii Farm Bureau testified in support of this resolution and emphasized how critical the preservation of this irrigation system is to the success of future agricultural operations in Hamakua.

Your Committee is aware that the recent demise of the Hamakua Sugar Company has resulted in the opening up of approximately 30,000 acres of prime agricultural land in Hamakua for diversified agricultural projects, and that 8,000 acres were irrigated by water from the lower Hamakua ditch. Further, a recent NRCS assessment plan recommended the repair and restoration of this ditch at a cost of \$9,600,000, and requested cost sharing among project sponsors.

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 concurs with the intent and purpose of H.R. No. 57, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1378-96 Water and Land Use Planning on H.C.R. No. 46

The purpose of this concurrent resolution, as received by your Committee, is to:

- (1) Request the assistance of the Governor in ensuring the maintenance of lower Hamakua ditch for irrigation purposes of the area's prime agricultural lands;
- (2) Direct the Board of Agriculture (BOA) to work with the United States Department of Agriculture Natural Resources Conservation Services (NRCS) for improvements to the ditch's watershed project and to provide matching funds for the project; and
- (3) Direct the BOA to work with area landowners in maintaining the ditch and ensuring the availability of water for future agricultural purposes.

The Department of Agriculture supported this concurrent resolution provided that its biennium budget would not be impacted by the adoption of this measure. The Hawaii Farm Bureau testified in support of this concurrent resolution and emphasized how critical the preservation of this irrigation system is to the success of future agricultural operations in Hamakua.

Your Committee is aware that the recent demise of the Hamakua Sugar Company has resulted in the opening up of approximately 30,000 acres of prime agricultural land in Hamakua for diversified agricultural projects, and that 8,000 acres were irrigated by water from the lower Hamakua ditch. Further, a recent NRCS assessment plan recommended the repair and restoration of this ditch at a cost of \$9,600,000, and requested cost sharing among project sponsors.

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 concurs with the intent and purpose of H.C.R. No. 46, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1379-96 Water and Land Use Planning on H.R. No. 140

The purpose of this resolution is to strongly urge the Department of Land and Natural Resources (DLNR) to transfer jurisdiction of the Maunalaha residential properties to the Office of Hawaiian Affairs (OHA).

Testimony supporting this measure was submitted by DLNR, OHA, the Maunalaha Valley Community Association, and a Maunalaha resident.

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 concurs with the intent and purpose of H.R. No. 140 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1380-96 Water and Land Use Planning on H.C.R. No. 139

The purpose of this concurrent resolution is to strongly urge the Department of Land and Natural Resources (DLNR) to transfer jurisdiction of the Maunalaha residential properties to the Office of Hawaiian Affairs (OHA).

Testimony supporting this measure was submitted by DLNR, OHA, the Maunalaha Valley Community Association, and a Maunalaha resident.

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 concurs with the intent and purpose of H.C.R. No. 139 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1381-96 Water and Land Use Planning on H.R. No. 255

The purpose of this resolution is, among other things, to request the Board of Land and Natural Resources to convene an Interagency Bulkhead Task Force to:

- (1) Develop an integrated Water Resource Management Plan;
- (2) Evaluate the installation of bulkheads in all Koolaupoko water development tunnels; and
- (3) Submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997.

Hawaii's Thousand Friends and a concerned citizen testified in support of this measure. The Land Use Research Foundation of Hawaii expressed reservations about this resolution. The Department of Land and Natural Resources and the Board of Water Supply opposed this measure.

After careful consideration of the testimony presented, your Committee finds that the development of an integrated Water Resource Management Plan is in the public's interest, and that convening of an Interagency Bulkhead Task Force to study the relevant issues and make its recommendations is essential to the development of this integrated plan.

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 concurs with the intent and purpose of H.R. No. 255 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1382-96 Water and Land Use Planning on H.C.R. No. 264

The purpose of this concurrent resolution is, among other things, to request the Board of Land and Natural Resources to convene an Interagency Bulkhead Task Force to:

- (1) Develop an integrated Water Resource Management Plan;
- (2) Evaluate the installation of bulkheads in all Koolaupoko water development tunnels; and
- (3) Submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997.

Hawaii's Thousand Friends and a concerned citizen testified in support of this measure. The Land Use Research Foundation of Hawaii expressed reservations about this concurrent resolution. The Department of Land and Natural Resources and the Board of Water Supply opposed this measure.

After careful consideration of the testimony presented, your Committee finds that the development of an integrated Water Resource Management Plan is in the public's interest, and that convening of an Interagency Bulkhead Task Force to study the relevant issues and make its recommendations is essential to the development of this integrated plan.

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 concurs with the intent and purpose of H.C.R. No. 264 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1383-96 Water and Land Use Planning on H.R. No. 256

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to prepare a plan for the restoration, interpretation, and management of Kaneana Cave as an important cultural site and directs the DLNR to submit its plan to the Legislature before the Regular Session of 1997.

The DLNR testified in support of the intent of this resolution, however, requested clarification and advised your Committee that it did not have funds to implement more permanent measures than what is currently being done by DLNR.

Your Committee recognizes the cultural significance of the Kaneana Cave which occupies an important place in Hawaii's rich cultural heritage. Further, your Committee understands that Kaneana Cave has unfortunately suffered from abuse and neglect throughout the years and more recently, been splattered with paint and defaced by graffiti.

Your Committee believes that adoption of this resolution will focus more attention on this significant cultural site and on the need for a plan by DLNR to preserve and protect this landmark for future generations.

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 concurs with the intent and purpose of H.R. No. 256 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1384-96 Water and Land Use Planning on H.C.R. No. 265

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to prepare a plan for the restoration, interpretation, and management of Kaneana Cave as an important cultural site and directs the DLNR to submit its plan to the Legislature before the Regular Session of 1997.

The DLNR testified in support of the intent of this concurrent resolution, however, requested clarification and advised your Committee that it did not have funds to implement more permanent measures than what is currently being done by the DLNR.

Your Committee recognizes the cultural significance of the Kaneana Cave which occupies an important place in Hawaii's rich cultural heritage. Further, your Committee understands that Kaneana Cave has unfortunately suffered from abuse and neglect throughout the years and more recently, been splattered with paint and defaced by graffiti.

Your Committee believes that adoption of this concurrent resolution will focus more attention on this significant cultural site and on the need for a plan by DLNR to preserve and protect this landmark for future generations.

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 concurs with the intent and purpose of H.C.R. No. 265 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1385-96 Water and Land Use Planning on H.R. No. 306

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

- (1) Request that the Office of State Planning (OSP) or its successor entity conduct a study of the land use classification system to decide how carrying capacity analyses may be more fully integrated into determinations relating to this system;
- (2) Request that the OSP consult with the Land Use Commission, the counties, various community and business groups, experts, and any other appropriate agency; and
- (3) Direct the OSP or its successor entity to report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997.

The OSP supported the intent of this resolution, however, suggested an amendment to provide more time for the study because of the current fiscal conditions of State and local governments.

The Hawai'i Green Party testified in strong support of this measure and stated that only well-defined findings of carrying capacity provide the necessary balance to single-minded economic thinking. Hawaii's Thousand Friends also submitted testimony in support of this resolution.

Based upon the testimony presented, your Committee agrees that adoption of this measure will be a step in the right direction in the promotion of sustainable development. Your Committee also recognizes that increased stresses on our limited natural resources compels us to focus our attention on the carrying capacity of these resources in an effort to preserve and protect them, and that it is imperative as well as prudent that carrying capacity analyses be refined and carefully considered in determinations affecting our state land use classification system.

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 concurs with the intent and purpose of H.R. No. 306 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1386-96 Water and Land Use Planning on H.C.R. No. 336

The purpose of this concurrent resolution is, among other things, to:

- (1) Request that the Office of State Planning (OSP) or its successor entity conduct a study of the land use classification system to decide how carrying capacity analyses may be more fully integrated into determinations relating to this system;
- (2) Request that the OSP consult with the Land Use Commission, the counties, various community and business groups, experts, and any other appropriate agency; and
- (3) Direct the OSP or its successor entity to report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997.

The OSP supported the intent of this concurrent resolution, however, suggested an amendment to provide more time for the study because of the current fiscal conditions of State and local governments.

The Hawai'i Green Party testified in strong support of this measure and stated that only well-defined findings of carrying capacity provide the necessary balance to single-minded economic thinking. Hawaii's Thousand Friends also submitted testimony in support of this concurrent resolution.

Based upon the testimony presented, your Committee agrees that adoption of this measure will be a step in the right direction in the promotion of sustainable development. Your Committee also recognizes that increased stresses on our limited natural resources compels us to focus our attention on the carrying capacity of these resources in an effort to preserve and protect them, and that it is imperative as well as prudent that carrying capacity analyses be refined and carefully considered in determinations affecting our state land use classification system.

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 concurs with the intent and purpose of H.C.R. No. 336 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1387-96 Water and Land Use Planning on H.R. No. 159

The purpose of this resolution is to determine the proper courses of action for the existing and emerging water needs of the Waimea region on the island of Hawaii by forming an interagency, public and private round table.

The Department of Hawaiian Home Lands testified in support of this measure. The Department of Land and Natural Resources also supported this measure and offered amendments.

Your Committee has amended this resolution by:

- (1) Including the following as members of the round table: the state Senator from the First Senatorial District; the state Representative from the Sixth Representative District; the Director of the Hawaii County Planning Department; the president of the Waimea Hawaiian Homesteaders' Association, Inc.; as well as additional individuals, organizations, or corporations, as appropriate;
- (2) Authorizing the round table to determine the boundaries of the study area based on hydrological considerations;
- (3) Requesting that the recommendations of the round table be incorporated into the Hawaii water plan; and
- (4) Making technical, nonsubstantive revisions for the purpose of style.

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 concurs with the intent and purpose of H.R. No. 159, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 159, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe and Yoshinaga.

SCRep. 1388-96 Water and Land Use Planning on H.C.R. No. 158

The purpose of this concurrent resolution is to determine the proper courses of action for the existing and emerging water needs of the Waimea region on the island of Hawaii by forming an interagency, public and private round table.

The Department of Hawaiian Home Lands testified in support of this measure. The Department of Land and Natural Resources also supported this measure and offered amendments.

Your Committee has amended this concurrent resolution by:

- (1) Including the following as members of the round table: the state Senator from the First Senatorial District; the state Representative from the Sixth Representative District; the Director of the Hawaii County Planning Department; the president of the Waimea Hawaiian Homesteaders' Association, Inc.; as well as additional individuals, organizations, or corporations, as appropriate;
- (2) Authorizing the round table to determine the boundaries of the study area based on hydrological considerations;
- (3) Requesting that the recommendations of the round table be incorporated into the Hawaii water plan; and
- (4) Making technical, nonsubstantive revisions for the purpose of style.

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 concurs with the intent and purpose of H.C.R. No. 158, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 158, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe and Yoshinaga.

SCRep. 1389-96 Water and Land Use Planning and Ocean Recreation and Marine Resources on H.R. No. 61

The purpose of this resolution is to authorize the Board of Land and Natural Resources (BLNR) to lease to Lanai Company, Inc. a portion of Manele Small Boat Harbor to enable Lanai Company, Inc. to make improvements to the harbor, including the construction of additional berths.

Lanaians for Economic Growth and Stability and an individual submitted testimony in support of the measure. A law firm representing Lanai Company, Inc. submitted testimony in support of the measure with revisions. BLNR supported the measure with the amendments proposed by Lanai Company, Inc. The Office of Hawaiian Affairs and eight individuals submitted comments on the measure.

Your Committees support the concept of improving Manele Small Boat Harbor, and this measure represents a starting point toward realizing that end. Your Committees underscore the need for residents of Lanai to continue to have opportunities for public input in this matter as it proceeds.

Your Committees agree with the revisions to the measure proposed by Lanai Company, Inc., and have made the following amendments:

- (1) Added a WHEREAS clause stating that only limited improvements are currently available at Manele Small Boat Harbor;

- (2) Added a WHEREAS clause stating that an attractive, safe, and functional harbor area will be a benefit to the State;
- (3) Added a WHEREAS clause stating that the lessee of an improved harbor area would be responsible for the maintenance and upkeep of that area;
- (4) Revised the BE IT RESOLVED clause by:
 - (a) Specifying that the lease would allow Lanai Company, Inc. to construct at least twenty-four berthing facilities;
 - (b) Citing Governor's Executive Order No. 2141; and
 - (c) Describing conditions to which Lanai Company, Inc. has agreed, upon the execution of the lease, to include seven slips to be made available and offered to individuals on the waiting list compiled by the Department of Land and Natural Resources, Division of Boating and Ocean Recreation (DBOR); and
- (5) Made technical, nonsubstantive revisions for purposes of style and clarity.

Regarding the waiting list for the seven slips to be offered by DBOR, your Committees feel strongly that priority should be given to residents of Lanai.

As affirmed by the records of votes of the members of your Committees on Water and Land Use Planning and Ocean Recreation and Marine Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 61 as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 61, H.D. 1.

Signed by all members of the Committees except Representatives Kanoho, Santiago, Yamane and Yoshinaga.
(Representative Shon voted no.)

SCRep. 1390-96 Water and Land Use Planning and Ocean Recreation and Marine Resources on H.C.R. No. 47

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources (BLNR) to lease to Lanai Company, Inc. a portion of Manele Small Boat Harbor to enable Lanai Company, Inc. to make improvements to the harbor, including the construction of additional berths.

Lanaians for Economic Growth and Stability and an individual submitted testimony in support of the measure. A law firm representing Lanai Company, Inc. submitted testimony in support of the measure with revisions. BLNR supported the measure with the amendments proposed by Lanai Company, Inc. The Office of Hawaiian Affairs and eight individuals submitted comments on the measure.

Your Committees support the concept of improving Manele Small Boat Harbor, and this measure represents a starting point toward realizing that end. Your Committees underscore the need for residents of Lanai to continue to have opportunities for public input in this matter as it proceeds.

Your Committees agree with the revisions to the measure proposed by Lanai Company, Inc., and have made the following amendments:

- (1) Added a WHEREAS clause stating that only limited improvements are currently available at Manele Small Boat Harbor;
- (2) Added a WHEREAS clause stating that an attractive, safe, and functional harbor area will be a benefit to the State;
- (3) Added a WHEREAS clause stating that the lessee of an improved harbor area would be responsible for the maintenance and upkeep of that area;
- (4) Revised the BE IT RESOLVED clause by:
 - (a) Specifying that the lease would allow Lanai Company, Inc. to construct at least twenty-four berthing facilities;
 - (b) Citing Governor's Executive Order No. 2141; and
 - (c) Describing conditions to which Lanai Company, Inc. has agreed, upon the execution of the lease, to include seven slips to be made available and offered to individuals on the waiting list compiled by the Department of Land and Natural Resources, Division of Boating and Ocean Recreation (DBOR); and
- (5) Made technical, nonsubstantive revisions for purposes of style and clarity.

Regarding the waiting list for the seven slips to be offered by DBOR, your Committees feel strongly that priority should be given to residents of Lanai.

As affirmed by the records of votes of the members of your Committees on Water and Land Use Planning and Ocean Recreation and Marine Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 47, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 47, H.D. 1.

Signed by all members of the Committees except Representatives Santiago, Kanoho, Yamane and Yoshinaga.
(Representative Shon voted no.)

SCRep. 1391-96 Water and Land Use Planning and Energy and Environmental Protection on H.R. No. 55

The purpose of this resolution is to direct the Departments of Agriculture and Land and Natural Resources to find and designate an appropriate location for a slaughterhouse facility on the island of Oahu that will satisfy environmental and United States Department of Agriculture (USDA) standards.

The Department of Land and Natural Resources testified in support of this resolution.

Your Committees find that the slaughterhouse facility located at Honouliuli on Oahu which slaughters cattle, hogs, and sheep is the only facility on Oahu that is approved by the USDA and that the lease for this facility will expire soon. Moreover, your Committees find that the future of the State's livestock industry rests on the existence of a slaughterhouse facility located on Oahu which meets the standards of the USDA.

Your Committees are also cognizant that the planning and development process for the construction of this new slaughterhouse facility will take at least two years and believe that passage of this resolution is necessary to initiate this process.

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 concur with the intent and purpose of H.R. No. 55 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Kanoho, McMurdo, Tarnas and Meyer.

SCRep. 1392-96 Water and Land Use Planning and Energy and Environmental Protection on H.C.R. No. 44

The purpose of this concurrent resolution is to direct the Departments of Agriculture and Land and Natural Resources to find and designate an appropriate location for a slaughterhouse facility on the island of Oahu that will satisfy environmental and United States Department of Agriculture (USDA) standards.

The Department of Land and Natural Resources testified in support of this concurrent resolution.

Your Committees find that the slaughterhouse facility located at Honouliuli on Oahu which slaughters cattle, hogs, and sheep is the only facility on Oahu that is approved by the USDA and that the lease for this facility will expire soon. Moreover, your Committees find that the future of the State's livestock industry rests on the existence of a slaughterhouse facility located on Oahu which meets the standards of the USDA.

Your Committees are also cognizant that the planning and development process for the construction of this new slaughterhouse facility will take at least two years and believe that passage of this concurrent resolution is necessary to initiate this process.

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 concur with the intent and purpose of H.C.R. No. 44 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Kanoho, McMurdo, Tarnas and Meyer.

SCRep. 1393-96 Ocean Recreation and Marine Resources on H.R. No. 214

The purpose of this resolution is to request the Governor and the Secretary of Commerce to modify the existing draft management plan to reject the single species approach and incorporate a comprehensive ecosystem management approach.

The Chamber of Commerce of Hawaii, the Maui Commercial Boaters and Ocean Affiliated Transportation, Southshore Charters, Inc., Silent Lady, Maui-Molokai Sea Cruises, People Opposed to the Whale Sanctuary, Ocean Riders Adventure Rafting, Ventura Fishing Enterprise, The Ocean Recreation Council of Hawaii, and concerned individuals submitted testimony in support of this measure. The Office of State Planning, the Pacific Whale Foundation, the National Oceanic and Atmospheric Administration, the Oahu contact for the Hawaiian Islands Humpback Whale National Marine Sanctuary, the Hawaii Chapter of the Sierra Club, and an individual appointed by the Mayor and County Council to represent Kauai submitted comments on this measure. A concerned individual submitted testimony in opposition to this measure.

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

- (1) Requesting the Governor to support the establishment of the Hawaiian Islands Humpback Whale National Marine Sanctuary with the stipulation that the sanctuary restrict its rules, regulations, and management efforts to research and education alone, and that user fees not be permitted;

- (2) Changing the title to read "REQUESTING THE Governor TO SUPPORT THE ESTABLISHMENT OF THE HAWAIIAN ISLANDS HUMPBACK WHALE NATIONAL MARINE SANCTUARY THAT IS RESTRICTED TO RESEARCH AND EDUCATION ALONE WITH A PROHIBITION ON USER FEES";
- (3) Deleting the clause stating that the proposed expanded Sanctuary appears to be a needless replication of existing federal and state regulations;
- (4) Requesting that the Governor consider inserting language in the agreement establishing the Hawaiian Islands Humpback Whale National Marine Sanctuary to enable the state to withdraw from the program, with the Legislature concurring, if it is deemed that the Sanctuary is not meeting the stipulations requested in this resolution;
- (5) Including the Secretary of Defense among the recipients of a copy of this resolution; 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 Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 214, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 214, H.D. 1.

Signed by all members of the Committee.

SCRep. 1394-96 Ocean Recreation and Marine Resources on H.C.R. No. 219

The purpose of this concurrent resolution is to request the Governor and the Secretary of Commerce to modify the existing draft management plan to reject the single species approach and incorporate a comprehensive ecosystem management approach.

The Chamber of Commerce of Hawaii, the Maui Commercial Boaters and Ocean Affiliated Transportation, Southshore Charters, Inc., Silent Lady, Maui-Molokai Sea Cruises, People Opposed to the Whale Sanctuary, Ocean Riders Adventure Rafting, Ventura Fishing Enterprise, The Ocean Recreation Council of Hawaii, and concerned individuals submitted testimony in support of this measure. The Office of State Planning, the Pacific Whale Foundation, the National Oceanic and Atmospheric Administration, the Oahu contact for the Hawaiian Islands Humpback Whale National Marine Sanctuary, the Hawaii Chapter of the Sierra Club, and an individual appointed by the Mayor and County Council to represent Kauai submitted comments on this measure. A concerned individual submitted testimony in opposition to this measure.

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

- (1) Requesting the Governor to support the establishment of the Hawaiian Islands Humpback Whale National Marine Sanctuary with the stipulation that the sanctuary restrict its rules, regulations, and management efforts to research and education alone, and that user fees not be permitted;
- (2) Changing the title to read "REQUESTING THE Governor TO SUPPORT THE ESTABLISHMENT OF THE HAWAIIAN ISLANDS HUMPBACK WHALE NATIONAL MARINE SANCTUARY THAT IS RESTRICTED TO RESEARCH AND EDUCATION ALONE WITH A PROHIBITION ON USER FEES";
- (3) Deleting the clause stating that the proposed expanded Sanctuary appears to be a needless replication of existing federal and state regulations;
- (4) Requesting that the Governor consider inserting language in the agreement establishing the Hawaiian Islands Humpback Whale National Marine Sanctuary to enable the state to withdraw from the program, with the Legislature concurring, if it is deemed that the Sanctuary is not meeting the stipulations requested in this concurrent resolution;
- (5) Including the Secretary of Defense among the recipients of a copy of this concurrent resolution; 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 Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 219, H.D. 1.

Signed by all members of the Committee.

SCRep. 1395-96 Ocean Recreation and Marine Resources on H.C.R. No. 279

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to develop rules and recommend statutory changes that would limit further overfishing of coastal waters by noncommercial gill net fishers.

Testimony on this measure was received from DLNR.

Your Committee recognizes the recent budget constraints placed on all departments and realizes the possible increased costs any additional requirements may place on a department. However, testimony from DLNR stated that DLNR

considers setting reasonable limitations on the use of all gill nets "an extremely high priority." DLNR testimony also stated that with suggested changes they would "make every effort to accomplish the intent and purpose of the concurrent resolution within current budget and manpower levels."

Accordingly, your Committee has amended this measure by:

- (1) Including estuarine waters as areas to be addressed.
- (2) Allowing DLNR discretion to incorporate various management tools in the development of rules; 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 Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 279, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 279, H.D. 1.

Signed by all members of the Committee.

SCRep. 1396-96 Ocean Recreation and Marine Resources and Water and Land Use Planning on H.R. No. 106

The purpose of this House Resolution is to request that the Department of Land and Natural Resources (DLNR) and county governments take steps to control the construction of structures along the shoreline areas within the State of Hawaii, and also to encourage the DLNR to conduct research into an ecologically safe and effective means for controlling the erosion that occurs along the shoreline areas within our state.

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

Your Committee believes that many man made structures along the shorelines of our islands deprive the public of scarce beach lands and cause the erosion of the remaining beach shoreline areas.

Your Committee believes that Hawaii's beaches and coastal areas are a valuable and fragile natural resource within the public domain, and that necessary and appropriate measures must be taken to insure that this precious resource will be preserved for the enjoyment of future generations.

Further, your Committee directs the DLNR, when determining the appropriate means for preservation of the shoreline areas, to be sensitive to the needs of those residents on the North Shore of Oahu who have recently sustained property damage as a result of the substantial erosion that occurred during the winter storm season.

Also, your Committee emphasizes that passage of this resolution is not intended to discourage the restoration of the Waikiki War Memorial Natatorium; your committee finds that this particular shoreline structure is to be excluded from the general measures called for in this resolution.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Water and Land Use Planning that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 106 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine, Kanoho and Meyer.

SCRep. 1397-96 Ocean Recreation and Marine Resources and Water and Land Use Planning on H.R. No. 119

The purpose of this House Resolution is to express support for the Waikiki Yacht Club for the contribution that it has made to the community; and also to encourage the State to take the necessary steps to extend its lease with the Waikiki Yacht Club.

Testimony on this measure was received from the Department of Land and Natural Resources and the Waikiki Yacht Club (WYC).

Your Committees find that WYC has been a positive and responsible member of the community and has provided valuable services to the youth of our state.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Water and Land Use Planning that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 119 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine, Kanoho and Meyer.

SCRep. 1398-96 Ocean Recreation and Marine Resources on H.R. No. 184

The purpose of this resolution is to request that a management plan be researched, drafted and implemented that will regulate the collection of aquarium fish.

Testimony on this measure was received from the Department of Land and Natural Resources, Ali'i Aquatics, Hawaii Tropical Fish Association and other concerned citizens.

Your Committee finds that the collection of various species of aquarium fish has reached levels that endanger the survival of all species of fish.

Further, your Committee recognizes that the protection of all species of fish is of immediate significance and requires the implementation of a comprehensive management plan.

Also, your Committee takes note that the escalating violence attributed to the collection of aquarium fish is of increasing concern and directs the Department of Land and Natural Resources to take steps to mitigate the disturbing problem of threats and violence against aquarium fish collectors and Mololi'i and Hookena.

Upon consideration, this measure was amended by:

- (1) Noting that the Department of Land and Natural Resources will accomplish the requested tasks within the fiscal limits of the budget;
- (2) Requiring the Department of Land and Natural Resources to submit an interim report to the Legislature no later than 20 days prior to the convening of the 1997 Regular Session;
- (3) Requiring the Department of Land and Natural Resources to submit a final report to the Legislature no later than 20 days prior to the convening of the 1998 Regular Session; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 184, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 184, H.D. 1.

Signed by all members of the Committee.

SCRep. 1399-96 Ocean Recreation and Marine Resources on H.C.R. No. 184

The purpose of this concurrent resolution is to request that a management plan be researched, drafted and implemented that will regulate the collection of aquarium fish.

Testimony on this measure was received from the Department of Land and Natural Resources, Ali'i Aquatics, Hawaii Tropical Fish Association and other concerned citizens.

Your Committee finds that the collection of various species of aquarium fish has reached levels that endanger the survival of all species of fish.

Further, your Committee recognizes that the protection of all species of fish is of immediate significance and requires the implementation of a comprehensive management plan.

Also, your Committee takes note that the escalating violence attributed to the collection of aquarium fish is of increasing concern and directs the Department of Land and Natural Resources to take steps to mitigate the disturbing problem of treats and violence against aquarium fish collectors at Mololi'i and Hookena.

Upon consideration, this measure was amended by:

- (1) Noting that the Department of Land and Natural Resources will accomplish the requested tasks with in the fiscal limits;
- (2) Requiring the Department of Land and Natural Resources to submit an interim report to the Legislature no later than 20 days prior to the convening of the 1997 Regular Session;
- (3) Requiring the Department of Land and Natural Resources to submit a final report to the Legislature no later than 20 days prior to the convening of the 1998 Regular Session; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 184, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 184, H.D. 1.

Signed by all members of the Committee.

SCRep. 1400-96 Ocean Recreation and Marine Resources on H.R. No. 196

The purpose of this House Resolution is to urge the Department of Land and Natural Resources to implement catch and release regulations for the Wahiawa public fishing area.

Testimony on this measure was received from the Department of Land and Natural Resources, the Hawaii Freshwater Fishing Association and other concerned citizens.

Your Committee recognizes that the protection of our oceanic resources is of significant importance.

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

- (1) Including the Tucunare species of fish to the category of protected fish already included in this resolution; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

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.R. No. 196, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 196, H.D. 1.

Signed by all members of the Committee.

SCRep. 1401-96 Ocean Recreation and Marine Resources on H.C.R. No. 197

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources to implement catch and release regulations for the Wahiawa public fishing area.

Testimony on this measure was received from the Department of Land and Natural Resources, the Hawaii Freshwater Fishing Association and other concerned citizens.

Your Committee recognizes that the protection of our oceanic resources is of significant importance.

Upon further consideration your Committee has amended this measure by:

- (1) Including the Tucunare species of fish to the category of protected fish already included in this concurrent resolution; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 197, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 197, H.D. 1.

Signed by all members of the Committee.

SCRep. 1402-96 Ocean Recreation and Marine Resources and Water and Land Use Planning on H.C.R. No. 101

The purpose of this House Concurrent Resolution is to request that the Department of Land and Natural Resources (DLNR) and county governments take steps to control the construction of structures along the shoreline areas within the State of Hawaii, and also to encourage the DLNR to conduct research into an ecologically safe and effective means for controlling the erosion that occurs along the shoreline areas within our state.

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

Your Committees believe that many man made structures along the shorelines of our islands deprive the public of scarce beach lands and cause the erosion of the remaining beach shoreline areas.

Your Committees believe that Hawaii's beaches and coastal areas are a valuable and fragile natural resource within the public domain, and that necessary and appropriate measures must be taken to insure that this precious resource will be preserved for the enjoyment of future generations.

Further, your Committees direct the DLNR, when determining the appropriate means for preservation of the shoreline areas, to be sensitive to the needs of those residents on the North Shore of Oahu who have recently sustained property damage as a result of the substantial erosion that occurred during the winter storm season.

Also, your Committees emphasize that passage of this concurrent resolution is not intended to discourage the restoration of the Waikiki War Memorial Natatorium; your Committees find that this particular shoreline structure is to be excluded from the general measures called for in this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Water and Land Use Planning that are attached to this report, your Committees are in accord with the intent and purpose of H.C.R. No. 101 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine, Kanoho and Thielen.

SCRep. 1403-96 Ocean Recreation and Marine Resources and Water and Land Use Planning on H.C.R. No. 114

The purpose of this concurrent resolution is to express support for the Waikiki Yacht Club for the contribution that it has made to the community; and also to encourage the State to take the necessary steps to extend its lease with the Waikiki Yacht Club.

Testimony on this measure was received from the Department of Land and Natural Resources and the Waikiki Yacht Club (WYC).

Your Committee find that WYC has been a positive and responsible member of the community and has provided valuable services to the youth of our state.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Water and Land Use Planning that are attached to this report, your Committees are in accord with the intent and purpose of H.C.R. No. 114 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine, Kanoho and Thielen.

SCRep. 1404-96 Water and Land Use Planning on H.R. No. 86

The purpose of this resolution is to support the efforts of the Hawaii Main Street Program in revitalizing and improving main street communities.

Your Committee received testimony in support of this measure from: the Hawaii Main Street Council, the West Kauai Main Street, the Molokai Main Street Association, Inc., the Paia Main Street Association, the Makawao Main Street Association, the Wailuku Main Street Program, the Hilo Main Street Program, and the Haleiwa Main Street Business Association. The Department of Land and Natural Resources (DLNR) offered comments.

This measure was amended by:

- (1) Urging DLNR to maintain its efforts to support rather than to expand the Hawaii Main Street Program. As amended, the title now reads as follows:

"PLEDGING SUPPORT FOR THE HAWAII MAIN STREET PROGRAM AND URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO MAINTAIN ITS EFFORTS TO SUPPORT THE HAWAII MAIN STREET PROGRAM STATEWIDE"; and

- (2) Adding a BE IT FURTHER RESOLVED clause to request DLNR to consult with the Department of Business, Economic Development, and Tourism as part of its effort to maximize its support of the Main Street Program.

Your Committee notes that measures such as S.B. No. 2656 may offer some hope to the Main Street Program. This bill would authorize the Board of Land and Natural Resources to accept grants, donations, and contributions from any source.

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 concurs with the intent and purpose of H.R. No. 86, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 86, H.D. 1.

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

SCRep. 1405-96 Water and Land Use Planning on H.C.R. No. 81

The purpose of this concurrent resolution is to support the efforts of the Hawaii Main Street Program in revitalizing and improving main street communities.

Your Committee received testimony in support of this measure from: the Hawaii Main Street Council, the West Kauai Main Street, the Molokai Main Street Association, Inc., the Paia Main Street Association, the Makawao Main Street Association, the Wailuku Main Street Program, the Hilo Main Street Program, and the Haleiwa Main Street Business Association. The Department of Land and Natural Resources (DLNR) offered comments.

This measure was amended by:

- (1) Urging DLNR to maintain its efforts to support rather than to expand the Hawaii Main Street Program. As amended, the title now reads as follows:

"PLEDGING SUPPORT FOR THE HAWAII MAIN STREET PROGRAM AND URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO MAINTAIN ITS EFFORTS TO SUPPORT THE HAWAII MAIN STREET PROGRAM STATEWIDE"; and

- (2) Adding a BE IT FURTHER RESOLVED clause to request DLNR to consult with the Department of Business, Economic Development, and Tourism as part of its effort to maximize its support of the Main Street Program.

Your Committee notes that measures such as S.B. No. 2656 may offer some hope to the Main Street Program. This bill would authorize the Board of Land and Natural Resources to accept grants, donations, and contributions from any source.

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 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 Representatives Takamine and Kanoho.

SCRep. 1406-96 Water and Land Use Planning on H.R. No. 156

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to start acquiring the seventeen-acre Keakealaniwahine residence for the purpose of restoring the Holualoa Chiefly Residences complex.

The Association of Hawaiian Civic Clubs and Ka Lahui Hawaii submitted testimony in support of this resolution. DLNR supported the intent of this measure.

Your Committee recognizes the cultural and archaeological significance of the Holualoa Chiefly Residences complex in that there are recorded three heiau and a pu'uhonua at Kamo Point. Further, your Committee understands that although construction of Ali'i Drive breached the integrity of the Holualoa Chiefly Residences complex, fortunately a major portion of the original Keakealaniwahine residence complex remains intact.

In view of the budgetary and staffing constraints confronting DLNR, your Committee wishes to clarify that the process of acquiring the site may include negotiations for a land exchange, purchase, or other means of acquiring the subject property. Furthermore, the report requested of DLNR pursuant to this resolution will be an update on the progress of this land acquisition.

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 concurs with the intent and purpose of H.R. No. 156 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1407-96 Water and Land Use Planning on H.C.R. No. 154

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to start acquiring the seventeen-acre Keakealaniwahine residence for the purpose of restoring the Holualoa Chiefly Residences complex.

The Association of Hawaiian Civic Clubs and Ka Lahui Hawaii submitted testimony in support of this concurrent resolution. DLNR supported the intent of this measure.

Your Committee recognizes the cultural and archaeological significance of the Holualoa Chiefly Residences complex in that there are recorded three heiau and a pu'uhonua at Kamo Point. Further, your Committee understands that although construction of Ali'i Drive breached the integrity of the Holualoa Chiefly Residences complex, fortunately a major portion of the original Keakealaniwahine residence complex remains intact.

In view of the budgetary and staffing constraints confronting DLNR, your Committee wishes to clarify that the process of acquiring the site may include negotiations for a land exchange, purchase, or other means of acquiring the subject property. Furthermore, the report requested of DLNR pursuant to this concurrent resolution will be an update on the progress of this land acquisition.

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 concurs with the intent and purpose of H.C.R. No. 154 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1408-96 Water and Land Use Planning on H.R. No. 188

The purpose of this resolution is to seek ways to protect the native Hawaiian culture from development activity by requesting a feasibility study on requiring the preparation of a native Hawaiian cultural impact statement in connection with development activity requiring state approval.

The Association of Hawaiian Civic Clubs testified in support of this measure.

Your Committee finds that instead of considering the establishment of an entirely separate cultural impact statement system, the preferred alternative is to incorporate an examination of the impact on native Hawaiian culture as part of an environmental assessment or an environmental impact statement. Your Committee has, therefore, amended this measure by re-phrasing the BE IT RESOLVED clause and the title accordingly. As amended, the title now reads:

"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FEASIBILITY OF REQUIRING AN ASSESSMENT OF THE IMPACT ON NATIVE HAWAIIAN CULTURE IN ANY ENVIRONMENTAL ASSESSMENT OR ENVIRONMENTAL IMPACT STATEMENT REQUIRED UNDER CHAPTER 343, HAWAII REVISED STATUTES."

These amendments make this measure more consistent with the provisions of H.B. No. 3081, H.D. 2, which passed out of your Committee earlier this session.

Your Committee recognizes the State's obligation to protect native Hawaiian rights, traditions, and culture through the recent Hawaii Supreme Court cases (Public Access Shoreline Hawaii v. Hawaii County Planning Commission).

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 concurs with the intent and purpose of H.R. No. 188, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 188, H.D. 1.

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

SCRep. 1409-96 Water and Land Use Planning on H.C.R. No. 188

The purpose of this concurrent resolution is to seek ways to protect the native Hawaiian culture from development activity by requesting a feasibility study on requiring the preparation of a native Hawaiian cultural impact statement in connection with development activity requiring state approval.

The Association of Hawaiian Civic Clubs testified in support of this measure.

Your Committee finds that instead of considering the establishment of an entirely separate cultural impact statement system, the preferred alternative is to incorporate an examination of the impact on native Hawaiian culture as part of an environmental assessment or an environmental impact statement. Your Committee has, therefore, amended this measure by re-phrasing the BE IT RESOLVED clause and the title accordingly. As amended, the title now reads:

"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FEASIBILITY OF REQUIRING AN ASSESSMENT OF THE IMPACT ON NATIVE HAWAIIAN CULTURE IN ANY ENVIRONMENTAL ASSESSMENT OR ENVIRONMENTAL IMPACT STATEMENT REQUIRED UNDER CHAPTER 343, HAWAII REVISED STATUTES."

These amendments make this measure more consistent with the provisions of H.B. No. 3081, H.D. 2, which passed out of your Committee earlier this session.

Your Committee recognizes the State's obligation to protect native Hawaiian rights, traditions, and culture through the recent Hawaii Supreme Court cases (Public Access Shoreline Hawaii v. Hawaii County Planning Commission).

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 concurs with the intent and purpose of H.C.R. No. 188, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 188, H.D. 1.

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

SCRep. 1410-96 Education on H.R. No. 115

The purpose of this resolution is to:

- (1) Request the preparation of a long-range plan to ensure the orderly development of the Hawaiian Language Immersion Program;
- (2) Establish cultural sensitivity programs; and
- (3) Request continuance of the Hawaiian Language Immersion Program to enable all enrolled students to continue in the program through high school graduation.

The Office of Hawaiian Affairs and the Department of Education provided testimony in support of the intent of the resolution. The University of Hawaii and a representative of the Democratic Party of Hawaii provided their comments concerning this measure.

Your Committee finds that the Hawaiian Language Immersion Program provides a valuable educational resource in revitalizing the Hawaiian language and assisting people to regain and maintain their cultural heritage. Therefore, development of this program should be the result of systematic and comprehensive planning during these times of fiscal constraint.

Your Committee has amended this measure to request that the Department of Education prepare this long-range plan as a review of the Long Range Plan for the Hawaiian Language Immersion Program; Papahana Kaiapuni Hawaii, of 1993. Technical, nonsubstantive amendments were also made for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 115, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 115, H.D. 2.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1411-96 Education on H.C.R. No. 110

The purpose of this concurrent resolution is to:

- (1) Request the preparation of a long-range plan to ensure the orderly development of the Hawaiian Language Immersion Program;
- (2) Establish cultural sensitivity programs; and
- (3) Request continuance of the Hawaiian Language Immersion Program to enable all enrolled students to continue in the program through high school graduation.

The Office of Hawaiian Affairs and the Department of Education provided testimony in support of the intent of the concurrent resolution. The University of Hawaii and a representative of the Democratic Party of Hawaii provided their comments concerning this measure.

Your Committee finds that the Hawaiian Language Immersion Program provides a valuable educational resource in revitalizing the Hawaiian language and assisting people to regain and maintain their cultural heritage. Therefore, development of this program should be the result of systematic and comprehensive planning during these times of fiscal constraint.

Your Committee has amended this measure to request that the Department of Education prepare this long range plan as a review of the Long-Range Plan for the Hawaiian Language Immersion Program; Papahana Kaiapuni Hawaii, of 1993. Technical, nonsubstantive amendments were also made for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 110, 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. 110, H.D. 2.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1412-96 Education on H.R. No. 116

The purpose of this resolution, as received by your Committee, is to request that the Department of Accounting and General Services and the Department of Education (DOE) eliminate the restrictive clauses in general obligation bond covenants that preclude the use of bond proceeds for the installation of communications wiring and conduit systems in public school construction projects.

Testimony in support of the intent of this measure was received from the DOE. Comments were received from the Department of Budget and Finance.

Your Committee finds that modern communication wiring and conduit systems in our public schools are essential to ensuring that Hawaii's children are capable of competing in today's modern technological society. However, your Committee notes that the DOE's capital improvement program (CIP) priority matrix does not include the installation of telecommunication wiring and conduit systems at the present time.

Accordingly, your Committee has amended this resolution to:

- (1) Request the Board of Education (BOE) to modify the DOE's CIP priority matrix to include the installation of telecommunication wiring and conduit systems;
- (2) Revise the title of this measure to read, "REQUESTING THE ELIMINATION OF RESTRICTIVE CLAUSES IN GENERAL OBLIGATION BOND COVENANTS THAT PRECLUDE THE USE OF BOND PROCEEDS FOR THE INSTALLATION OF TELECOMMUNICATION WIRING AND CONDUIT SYSTEMS IN PUBLIC SCHOOL CONSTRUCTION PROJECTS AND THE MODIFICATION OF THE DEPARTMENT OF EDUCATION'S CAPITAL IMPROVEMENT PROGRAM PRIORITY MATRIX TO INCLUDE THE INSTALLATION OF TELECOMMUNICATION WIRING AND CONDUIT SYSTEMS IN PUBLIC SCHOOL CONSTRUCTION PROJECTS";
- (3) Urge the BOE to develop a long-range plan to integrate technology into the public school system; and
- (4) Add the Chairperson of the BOE to the list of persons to whom a certified copy of this measure is to be transmitted.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 116, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 116, H.D. 1.

Signed by all members of the Committee except Representatives Santiago, Shon and Takamine.

SCRep. 1413-96 Education on H.C.R. No. 111

The purpose of this concurrent resolution, as received by your Committee, is to request that the Department of Accounting and General Services and the Department of Education (DOE) eliminate the restrictive clauses in general obligation bond covenants that preclude the use of bond proceeds for the installation of communications wiring and conduit systems in public school construction projects.

Testimony in support of the intent of this measure was received from the DOE. Comments were received from the Department of Budget and Finance.

Your Committee finds that modern communication wiring and conduit systems in our public schools are essential to ensuring that Hawaii's children are capable of competing in today's modern technological society. However, your Committee notes that the DOE's capital improvement program (CIP) priority matrix does not include the installation of telecommunication wiring and conduit systems at the present time.

Accordingly, your Committee has amended this concurrent resolution to:

- (1) Request the Board of Education (BOE) to modify the DOE's CIP priority matrix to include the installation of telecommunication wiring and conduit systems;
- (2) Revise the title of this measure to read, "REQUESTING THE ELIMINATION OF RESTRICTIVE CLAUSES IN GENERAL OBLIGATION BOND COVENANTS THAT PRECLUDE THE USE OF BOND PROCEEDS FOR THE INSTALLATION OF TELECOMMUNICATION WIRING AND CONDUIT SYSTEMS IN PUBLIC SCHOOL CONSTRUCTION PROJECTS AND THE MODIFICATION OF THE DEPARTMENT OF EDUCATION'S CAPITAL IMPROVEMENT PROGRAM PRIORITY MATRIX TO INCLUDE THE INSTALLATION OF TELECOMMUNICATION WIRING AND CONDUIT SYSTEMS IN PUBLIC SCHOOL CONSTRUCTION PROJECTS";
- (3) Urge the BOE to develop a long-range plan to integrate technology into the public school system; and
- (4) Add the Chairperson of the BOE to the list of persons to whom a certified copy of this measure is to be transmitted.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 111, H.D. 1.

Signed by all members of the Committee except Representatives Santiago, Shon and Takamine.

SCRep. 1414-96 Education on H.R. No. 180

The purpose of this measure is to request the provision of equitable funding for the timely and on-going repair and preventive maintenance of public school facilities based upon specifically stated criteria and needs.

Your Committee received testimony in favor of the measure from the Department of Accounting and General Services and a concerned individual. Your Committee also received testimony from the Department of Education expressing reservations as to the necessity for the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 180 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Shon and Takamine.

SCRep. 1415-96 Education on H.C.R. No. 180

The purpose of this measure is to request the provision of equitable funding for the timely and on-going repair and preventive maintenance of public school facilities based upon specifically stated criteria and needs.

Your Committee received testimony in favor of the measure from the Department of Accounting and General Services and a concerned individual. Your Committee also received testimony from the Department of Education expressing reservations as to the necessity for the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 180 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Shon and Takamine.

SCRep. 1416-96 Education on H.C.R. No. 118

The purpose of this concurrent resolution, as received, is to request that all public secondary schools establish a School Finance Committee to involve students in the decision making process for school finances.

The Hawaii State Student Council, in its 1996 conference, passed a resolution urging the Legislature to take this action.

The Department of Education presented testimony in support of the intent of this measure and provided its comments. Certain schools have established School and Community-Based Management councils that address the area of school finances. Requesting that such schools establish a School Finance Committee may be a duplication of effort.

Your Committee finds that due to the State's fiscal crisis, there is an urgent need to encourage students to participate more meaningfully in the decision making process that affects their education. Establishment of school finance committees serves as a vehicle to accomplish this goal.

Your Committee has amended this measure to:

- (1) Refer to "high schools", instead of "secondary schools", in the body of this concurrent resolution;
- (2) Change the title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING ALL PUBLIC HIGH SCHOOLS TO ESTABLISH A SCHOOL FINANCE COMMITTEE";
- (3) Provide an option for high schools, that have existing School and Community-Based Management councils, to establish a School Finance Committee;

- (4) Request that school finance committees and School and Community-Based Management Councils take an active role in fundraising and the decision making process for school finances; and
- (5) Make technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 118, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 118, H.D. 1.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1417-96 Education on H.C.R. No. 119

The purpose of this concurrent resolution is to encourage public schools to implement alternate programs for raising funds and obtaining grants and donations for education.

The Superintendent of the Department of Education (DOE) testified that the DOE concurred with the intent of this measure. A concerned citizen opposed this concurrent resolution.

Your Committee finds that current budget cuts are forcing the DOE to seek creative ways to increase funding for education. Your Committee is encouraged by the creative ways in which certain schools have raised funds for education as recipients of endowments as well as donations, and volunteer work from private individuals, businesses, and organizations in our communities.

Upon careful consideration of the testimony presented, your Committee has amended this concurrent resolution by:

- (1) Deleting specific references to the National Scrip Center's program and the use of scrip as cash in daily purchases;
- (2) Recognizing that the scrip program is one of several programs that have been successful in fundraising; and
- (3) Inserting language indicating that the Hawaii State Student Council urged similar action in a resolution adopted at its 1996 conference.

As affirmed by the record of votes of the members of your Committee on Education 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 Finance, in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1418-96 Education on H.C.R. No. 122

The purpose of this concurrent resolution is to:

- (1) Encourage schools to utilize computer technology; and
- (2) Improve communications within the educational system.

The Superintendent of the Department of Education submitted comments on this measure.

Your Committee believes that students may be motivated to become literate by having easier access to computers at school for basic telecommunications activities, and that being computer literate will be necessary in the future because computer technology will play a key role in tomorrow's job market.

Your Committee has amended this concurrent resolution by inserting language indicating that the Hawaii State Student Council urged similar action in a resolution adopted at its 1996 conference.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 122, H.D. 1.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1419-96 Education on H.C.R. No. 123

The purpose of this concurrent resolution, as received by your Committee, is to request that the Department of Education (DOE) develop and implement an elective course for all high school students who choose to work closer with business, industry, government, or the military through career shadowing, internships, and other career opportunities.

Testimony in support of this measure was submitted by a Hawaiian Electric Company employee involved with the DOE's School-to-Work Opportunities System program (STWOS) and the parent of a student who participated in the program. The DOE submitted testimony in support of the intent of this measure.

Your Committee finds that the STWOS program exposes students to the "real world", teaching them what employers will expect of them in the future and the importance of a good work ethic. It also permits students to experience how what they have learned in the classroom is applied in the workplace and develop interpersonal relationship skills.

As the DOE is already implementing the STWOS program and plans to integrate components of the program into the school curriculum, your Committee has amended this measure by:

- (1) Urging the DOE to offer a variety of career opportunities as part of the STWOS program to ensure greater student participation and interest;
- (2) Revising the title of this measure to read, "URGING THE DEPARTMENT OF EDUCATION TO OFFER A VARIETY OF CAREER OPPORTUNITIES AS PART OF THE SCHOOL-TO-WORK OPPORTUNITIES SYSTEM PROGRAM BEING IMPLEMENTED IN HAWAII PUBLIC HIGH SCHOOLS";
- (3) Adding a WHEREAS paragraph to reflect that the Hawaii State Student Council passed a resolution urging that action be taken; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 123, H.D. 1.

Signed by all members of the Committee except Representatives Shon and Takamine.

SCRep. 1420-96 Education on H.C.R. No. 143

The purpose of this concurrent resolution is to request the Department of Education, in negotiation with the Hawaii State Teachers Association, to develop an incentive and merit pay plan to encourage experienced public school teachers to teach at special needs schools.

The Department of Education submitted testimony in support of the intent of this concurrent resolution, but questioned the effectiveness of such programs. The Hawaii State Teachers Association submitted testimony stating that the Department of Education and the Association already recognize the problems and work is in progress to resolve these concerns.

Your Committee finds that student achievement has been affected by the high rate of teacher turnover at certain schools. Your Committee further finds that this problem is a priority for our education system which must be addressed.

After further discussion, your Committee determined that the term "special needs schools" does not adequately define schools that have high teacher turnover and that the intent of this concurrent resolution is to benefit those schools that are most affected by high teacher turnover.

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

- (1) Changing the title to read "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEVELOPMENT OF AN INCENTIVE PLAN AND A MERIT PAY PLAN TO ENCOURAGE EXPERIENCED PUBLIC SCHOOL TEACHERS TO TEACH AT SCHOOLS WITH A HIGH RATE OF TEACHER TURNOVER";
- (2) Clarifying the intent of the concurrent resolution to focus on those schools with a high rate of teacher turnover; and
- (3) Requiring the Department of Education to annually determine which schools have the highest rate of teacher turnover.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 143, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No 143, H.D.1.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

SCRep. 1421-96 Education on H.C.R. No. 277

The purpose of this concurrent resolution is to request the Departments of Education, Health, Human Services, Labor and Industrial Relations, and Business, Economic Development, and Tourism, and the Office of Children and Youth to cooperate and participate, through the interdepartmental council, as partners with the private sector alliance to establish a comprehensive system of quality early childhood education and care services as described in the Good Beginnings Master Plan.

Supportive testimony was received from the Department of Human Services and the Department of Health. The Department of Education submitted testimony in support of the intent of this measure. The Office of Children and Youth submitted testimony in support of the concepts expressed in this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 277, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Santiago, Shon, Takamine, Anderson and Halford.

SCRep. 1422-96 Education and Higher Education and the Arts on H.R. No. 110

The purpose of this resolution is to request the University of Hawaii (UH), with the cooperation of the Department of Education (DOE), to establish a Task Force to study the means by which the appropriate branches of UH can contribute to the expansion and improvement of the Hawaiian Language Immersion Program.

The Office of Hawaiian Affairs submitted testimony in support of the measure. UH and DOE concurred with the intent of the measure.

Your Committees have amended the resolution by directing the UH President to appoint:

- (1) Other members to the Task Force, as deemed appropriate; and
- (2) The chair of the Task Force from among all members.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 110, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 110, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Shon, Takamine and Halford.

SCRep. 1423-96 Education and Higher Education and the Arts on H.C.R. No. 105

The purpose of this concurrent resolution is to request the University of Hawaii (UH), with the cooperation of the Department of Education (DOE), to establish a Task Force to study the means by which the appropriate branches of UH can contribute to the expansion and improvement of the Hawaiian Language Immersion Program.

The Office of Hawaiian Affairs submitted testimony in support of the measure. UH and DOE concurred with the intent of the measure.

Your Committees have amended the concurrent resolution by directing the UH President to appoint:

- (1) Other members to the Task Force, as deemed appropriate; and
- (2) The chair of the Task Force from among all members.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 105, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Shon, Takamine and Halford.

SCRep. 1424-96 Education and Higher Education and the Arts on H.R. No. 113

The purpose of this resolution is to request the Board of Education and the Board of Regents to develop a process for periodic tenure review of Department of Education and University of Hawaii (UH) personnel.

The DOE submitted testimony in support of the intent of the measure. Comments were submitted by UH, the UH Professional Assembly, and a private citizen.

Your Committees have amended this measure by:

- (1) Deleting all references to the UH and its faculty throughout the resolution, and thereby amending the title of the resolution to read: "REQUESTING THE BOARD OF EDUCATION TO DEVELOP A PROCESS FOR PERIODIC TENURE REVIEW OF DEPARTMENT OF EDUCATION PERSONNEL";
- (2) Indicating that the DOE is looking at ways to improve the current tenure review process of its school personnel;
- (3) Specifying that the process for periodic tenure review of DOE personnel be developed with regard to collective bargaining laws; and
- (4) Specifying that the Superintendent is to receive a certified copy of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 113, as amended

herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 113, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Shon, Takamine and Halford.

SCRep. 1425-96 Education and Higher Education and the Arts on H.C.R. No. 108

The purpose of this concurrent resolution is to request the Board of Education and the Board of Regents to develop a process for periodic tenure review of Department of Education and University of Hawaii (UH) personnel.

The DOE submitted testimony in support of the intent of the measure. Comments were submitted by UH, the UH Professional Assembly, and a private citizen.

Your Committees have amended this measure by:

- (1) Deleting all references to the UH and its faculty throughout the concurrent resolution, and thereby amending the title of the concurrent resolution to read: "REQUESTING THE BOARD OF EDUCATION TO DEVELOP A PROCESS FOR PERIODIC TENURE REVIEW OF DEPARTMENT OF EDUCATION PERSONNEL";
- (2) Indicating that the DOE is looking at ways to improve the current tenure review process of its school personnel;
- (3) Specifying that the process for periodic tenure review of DOE personnel be developed with regard to collective bargaining laws; and
- (4) Specifying that the Superintendent is to receive a certified copy of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 108, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 108, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Shon, Takamine and Halford.

SCRep. 1426-96 Education and Higher Education and the Arts on H.R. No. 143

The purpose of this resolution is to request the University of Hawaii at Manoa (UH) and the Department of Education (DOE) to collaborate to develop a plan to train teachers and school administrators.

DOE supported the resolution, noting that collaboration between the institutions is already occurring and becoming stronger.

In welcoming the intent of the measure, the UH College of Education testified that it engages in ongoing collaborative activities with DOE in various efforts to train teachers and administrators. For example, DOE representatives serve on UH College of Education committees and task forces responsible for developing new programs and curricula. In addition, DOE and the College of Education have jointly developed and implemented a program in which UH College of Education faculty and DOE personnel are involved together in educating new school administrators.

Your Committees recognize the importance of collaboration between UH College of Education and DOE. The mission of DOE is to teach the children of Hawaii the knowledge and skills necessary for personal growth and for becoming contributing members of society. As the institution primarily responsible for training educators for DOE, the UH College of Education must:

- (1) Generate, synthesize, and apply knowledge in education and related fields through teaching, research, and other scholarly activities;
- (2) Prepare and provide ongoing professional development of teachers, administrators, counselors, and related professionals at the undergraduate and graduate levels; and
- (3) Provide service and support to local, national, and global educational and related communities.

Your Committee has amended the measure by:

- (1) Revising the title to urge UH and DOE to continue to collaborate on teacher and administrator training rather than request them to collaborate;
- (2) Revising the BE IT RESOLVED clause to reflect this new purpose;
- (3) Adding teaching special needs populations to the plan to be developed by UH College of Education and DOE; and
- (4) Deleting the BE IT FURTHER RESOLVED clause requesting UH College of Education and DOE to submit a report to the Legislature.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 143, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 143, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Shon, Takamine and Halford.

SCRep. 1427-96 Education and Higher Education and the Arts on H.C.R. No. 142

The purpose of this concurrent resolution is to request the University of Hawaii at Manoa (UH) and the Department of Education (DOE) to collaborate to develop a plan to train teachers and school administrators.

DOE supported the concurrent resolution, noting that collaboration between the institutions is already occurring and becoming stronger.

In welcoming the intent of the measure, the UH College of Education testified that it engages in ongoing collaborative activities with DOE in various efforts to train teachers and administrators. For example, DOE representatives serve on UH College of Education committees and task forces responsible for developing new programs and curricula. In addition, DOE and the College of Education have jointly developed and implemented a program in which UH College of Education faculty and DOE personnel are involved together in educating new school administrators.

Your Committees recognize the importance of collaboration between UH College of Education and DOE. The mission of DOE is to teach the children of Hawaii the knowledge and skills necessary for personal growth and for becoming contributing members of society. As the institution primarily responsible for training educators for DOE, the UH College of Education must:

- (1) Generate, synthesize, and apply knowledge in education and related fields through teaching, research, and other scholarly activities;
- (2) Prepare and provide ongoing professional development of teachers, administrators, counselors, and related professionals at the undergraduate and graduate levels; and
- (3) Provide service and support to local, national, and global educational and related communities.

Your Committees have amended the measure by:

- (1) Revising the title to urge UH and DOE to continue to collaborate on teacher and administrator training rather than request them to collaborate;
- (2) Revising the BE IT RESOLVED clause to reflect this new purpose;
- (3) Adding teaching special needs populations to the plan to be developed by UH College of Education and DOE; and
- (4) Deleting the BE IT FURTHER RESOLVED clause requesting UH College of Education and DOE to submit a report to the Legislature.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 142, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 142, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Shon, Takamine and Halford.

SCRep. 1428-96 Education and Labor and Public Employment on H.R. No. 96

The purpose of this resolution is to request the Board of Regents to establish temporary positions and enter into collective bargaining agreements to benefit intermediate and high school music teachers.

The Department of Education submitted testimony in support of the intent of this measure. Supportive testimony was received from the President of the American School Band Directors, the band director of Highlands Intermediate School, and several concerned individuals.

Your Committees are aware that the workload of many band directors, especially those with large programs, is enormous and time-consuming. Much of the success of many music programs is due to the dedication and hard work of band directors who put in many hours of overtime for rehearsals, school and community performances, and individual practices. Extra preparation time, smaller classes, and educational assistants would be very beneficial for band directors.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 96, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ito, Lee, Santiago, Shon, Takamine, Anderson, Halford and Ward.

SCRep. 1429-96 Education and Labor and Public Employment on H.C.R. No. 91

The purpose of this concurrent resolution is to request the Board of Regents to establish temporary positions and enter into collective bargaining agreements to benefit intermediate and high school music teachers.

The Department of Education submitted testimony in support of the intent of this measure. Supportive testimony was received from the President of the American School Band Directors, the band director of Highlands Intermediate School, and several concerned individuals.

Your Committees are aware that the workload of many band directors, especially those with large programs, is enormous and time-consuming. Much of the success of many music programs is due to the dedication and hard work of band directors who put in many hours of overtime for rehearsals, school and community performances, and individual practices. Extra preparation time, smaller classes, and educational assistants would be very beneficial for band directors.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 91, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ito, Lee, Santiago, Shon, Takamine, Anderson, Halford and Ward.

SCRep. 1430-96 Education and Labor and Public Employment on H.R. No. 243

The purpose of this resolution is to urge negotiations between the United Public Workers and the Department of Education so that smoking may be prohibited on public school campuses.

Supportive testimony was received from the Hawaii State Parent-Teacher-Student Association, the Hawaii Medical Association, the American Cancer Society, and the Department of Education.

Since the mission of the Department of Education is to educate all public school children, it must strive to provide a school environment that is safe and healthy. It is difficult to deter children from smoking if they see adults smoking during school hours and on school premises. All school personnel, including custodians and cafeteria workers can be role models for children.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 243 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Ito, Lee, Santiago, Shon, Takamine, Anderson, Halford and Ward.

SCRep. 1431-96 Education and Labor and Public Employment on H.C.R. No. 253

The purpose of this concurrent resolution is to urge negotiations between the United Public Workers and the Department of Education so that smoking may be prohibited on public school campuses.

Supportive testimony was received from the Hawaii State Parent-Teacher-Student Association, the Hawaii Medical Association, the American Cancer Society, and the Department of Education.

Since the mission of the Department of Education is to educate all public school children, it must strive to provide a school environment that is safe and healthy. It is difficult to deter children from smoking if they see adults smoking during school hours and on school premises. All school personnel, including custodians and cafeteria workers can be role models for children.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 253 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Ito, Lee, Santiago, Shon, Takamine, Anderson, Halford and Ward.

SCRep. 1432-96 Water and Land Use Planning on H.R. No. 279

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to reclaim former beachfront properties at Kamakahou, Kailua-Kona and withdraw its revocable permit number S-6754 and claim unpaid amounts for land use by the hotel for leasing the activities structure which sits on state property.

Testimony supporting this measure was submitted by the Kona Outrigger Canoe Club.

Testimony submitted by DLNR stated that they cannot support these resolutions at this time, until an investigation is done of the complaints mentioned.

HTH Corporation submitted testimony strongly opposing this measure.

Your Committee has amended this resolution by:

- (1) Amending the title of the resolution to read: "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO CONDUCT AN ANALYSIS OF THE SHORELINE PROPERTY AT KAMAKAHONU, KAILUA-KONA, AND AN AUDIT OF CERTAIN LANDS SITUATED NEAR THE SITE, AND TO WITHDRAW ITS REVOCABLE PERMIT NUMBER S-6754";
- (2) Recognizing the Council of Canoe Clubs as an organization which could be designated as the caretaker of Kamakahonu parcel 22;
- (3) Recognizing that the hotel has no objection to the cancellation of the revocable permit;
- (4) Deleting the request for DLNR to reclaim former beachfront properties at Kamakahonu, Kailua-Kona;
- (5) Requesting that DLNR work with the Council of Canoe Clubs presently utilizing Kamakahonu and allow the Council of Canoe Clubs continued use of Kamakahonu parcel 22;
- (6) Requesting that DLNR conduct an analysis of the shoreline property at Kamakahonu to determine what lands are former beachfront lands and are therefore public state lands;
- (7) Requesting that DLNR conduct an audit to determine any unpaid payments for land used by the hotel for leasing the activities structure that sits on state property and for any other uses of lands determined to be public state lands.

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 concurs with the intent and purpose of H.R. No. 279, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 279, H.D. 1.

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

SCRep. 1433-96 Water and Land Use Planning on H.C.R. No. 294

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to reclaim former beachfront properties at Kamakahou, Kailua-Kona and withdraw its revocable permit number S-6754 and claim unpaid amounts for land use by the hotel for leasing the activities structure which sits on state property.

Testimony supporting this measure was submitted by the Kona Outrigger Canoe Club.

Testimony submitted by DLNR stated that they cannot support these resolutions at this time, until an investigation is done of the complaints mentioned.

HTH Corporation submitted testimony strongly opposing this measure.

Your Committee has amended this concurrent resolution by:

- (1) Amending the title of the resolution to read: "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO CONDUCT AN ANALYSIS OF THE SHORELINE PROPERTY AT KAMAKAHONU, KAILUA-KONA, AND AN AUDIT OF CERTAIN LANDS SITUATED NEAR THE SITE, AND TO WITHDRAW ITS REVOCABLE PERMIT NUMBER S-6754";
- (2) Recognizing the Council of Canoe Clubs as an organization which could be designated as the caretaker of Kamakahonu parcel 22;
- (3) Recognizing that the hotel has no objection to the cancellation of the revocable permit;
- (4) Deleting the request for DLNR to reclaim former beachfront properties at Kamakahonu, Kailua-Kona;
- (5) Requesting that DLNR work with the Council of Canoe Clubs presently utilizing Kamakahonu and allow the Council of Canoe Clubs continued use of Kamakahonu parcel 22;
- (6) Requesting that DLNR conduct an analysis of the shoreline property at Kamakahonu to determine what lands are former beachfront lands and are therefore public state lands;
- (7) Requesting that DLNR conduct an audit to determine any unpaid payments for land used by the hotel for leasing the activities structure that sits on state property and for any other uses of lands determined to be public state lands.

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 concurs with the intent and purpose of H.C.R. No. 294, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 294, H.D. 1.

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

SCRep. 1434-96 Consumer Protection and Commerce on S.B. No. 2329

The purpose of this bill is to clarify the law sunseting professional and vocational regulatory programs.

Testimony in support of the bill was received from the Office of the Auditor (Auditor), the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA), and the National Association of Social Workers (NASW).

Section 26H-4, Hawaii Revised Statutes (HRS), pertains to repeal dates for newly enacted professional and vocational regulatory programs. This law requires that any professional or vocational regulatory program enacted after July 1, 1994, be repealed at the end of the third full calendar year following the program's enactment. It also requires the Auditor to conduct a sunset review of a program prior to its repeal.

The current law is in need of clarification, specifically with respect to identifying professional or vocational regulatory programs that were enacted after July 1, 1994, and which are, therefore, subject to repeal. Additionally, the automatic three year review requirement does not provide the Legislature with sufficient flexibility to establish an appropriate review date for a particular program.

To resolve these issues and clarify the intent of the law, the bill amends section 26H-4, HRS, to provide that:

- (1) A newly enacted professional or vocational regulatory program is a program enacted after January 1, 1994;
- (2) Professional or vocational regulatory programs subject to repeal are those specifically identified and listed within the statute; and
- (3) REgulatory programs identified in the statute will sunset on a specific date, rather than three years after enactment.

Your Committee has amended the bill to address a concern, raised by the NASW, that social workers who possess a master's degree obtained from a foreign institution are not qualified to seek licensure from the State. Therefore, your Committee has amended chapter 467E, HRS, to provide that a master's degree in social work which has been obtained from a foreign college or university shall satisfy the minimum education qualification for licensure under the following criteria:

- (1) The master's degree shall be equivalent to an accredited program; and
- (2) The determination if the master's degree is equivalent to an accredited program will be accomplished through a review administered by the Council on Social Work Education.

This amendment was supported by the DCCA and the NASW.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2329, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshinaga, Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1435-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2052

The purpose of this bill is to prohibit liquor licensees from not only selling, but also serving or allowing the consumption or possession of liquor to certain persons, including minors and persons under the influence of liquor.

Testimony in support of the measure was received from the Department of Finance of the City and County of Honolulu and Mothers Against Drunk Driving.

Testimony indicated that in establishments that serve liquor, it is possible for patrons twenty-one years old or older to purchase liquor for, or share their drinks with, patrons under the legal drinking age. Your Committees find that this bill would help to prevent these illegal practices.

After carefully considering the merits of the bill and testimonies received, your Committees have amended the measure by:

- (1) Specifying that the consumption or possession of liquor by a minor on a liquor licensee's premises will not be deemed a violation of the law, if in allowing the consumption or possession of liquor by the minor, the licensee was misled into honestly believing that the minor was of legal drinking age; and
- (2) Making technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

These amendments make the bill consistent with the House position reflected in H.B. No. 2411, H.D. 1, which passed Third Reading in the House.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2052, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2052, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hamakawa, Hiraki and Tom.

SCRep. 1436-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2439

The purpose of this bill is to clarify the law relating to refunds and exchanges of merchandise by replacing the existing refunds and exchanges statute with a new section that addresses issues related to current industry practices.

Testimony supporting the bill was received from the Department of Commerce and Consumer Affairs (DCCA), the Retail Merchants of Hawaii, and Liberty House.

Testimony indicated that problems relating to merchandise refunds and exchanges constitute one of the largest areas of complaints received by the Office of Consumer Protection. While the existing law provides many good provisions, the law is ambiguous and does not adequately cover certain areas relating to refunds and exchanges.

The DCCA testified that it has reached an agreement with the Retail Merchants of Hawaii regarding acceptable language to clarify the refunds and exchanges law, thereby accomplishing the intent and purpose of this bill. The DCCA and the Retail Merchants of Hawaii have agreed to the language contained in H.B. No. 3096, H.D. 1, a similar bill that also proposes to clarify the refunds and exchanges law. As such, the DCCA requested the joint Committees to give favorable consideration to the compromise language in H.B. No. 3096, H.D. 1.

After carefully considering the merits of the measure and the testimonies received, your Committees have amended the bill by deleting its substantive contents and inserting therein, the substance of H.B. No. 3096, H.D. 1, which passed Third Reading in the House.

Your Committees believe that as amended, the bill will:

- (1) Ensure adequate protection of consumers' interests; and
- (2) Help merchants and consumers better understand the law and resolve disputes among themselves;

thereby representing the best balance between the interests of the merchants and consumers.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2439, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2439, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Chun Oakland, Hamakawa, Hiraki, McMurdo and Tom.

SCRep. 1437-96 Health on S.B. No. 2220

The purpose of this bill is to permit owners of residential or agricultural property to bury family members on their property.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs, the Department of Health (DOH), and a private citizen.

Your Committee finds that there are some families who wish to bury their loved ones in existing family burial plots on family-owned land but that this practice is no longer permitted by law unless the property was registered with the DOH by 1967. Your Committee believes that these families should have the right to bury relatives in existing family burial plots where family members are already interred.

However, your Committee notes that this bill is much broader in scope than H.B. No. 2555, H.D. 1, which was passed earlier by this Committee. While that measure only permits family members to be buried on residential or agricultural property with an already existing family burial plot, this bill would permit such burials on all residential and agricultural property in this State.

Your Committee finds that H.B. No. 2555, H.D. 1, more appropriately addresses the concerns of families who wish to bury family members in existing family burial plots while maintaining the policy that most burials should be in cemeteries.

Accordingly, your Committee has amended this bill by deleting its substance and inserting therefor the contents of H.B. No. 2555, H.D. 1. Specifically, your Committee has amended this bill to:

- (1) Permit owners of residential or agricultural property on which a family member has already been lawfully interred to register the property with the DOH as a family burial plot;
- (2) Permit additional family members, including hanai family members, to be buried in family burial plots registered with the DOH;
- (3) Require that any subsequent disinterment of any remains from a family burial plot be done in compliance with section 338-25.5, Hawaii Revised Statutes (HRS), rather than section 6E-41, HRS;
- (4) Insert the definition of "family burial plot" into section 441-1, HRS;
- (5) Revise the definition of "interment" in section 441-41, HRS, to include the disposition of human remains in a family burial plot; and

- (6) Exclude property on which there are family burial plots from the exemption from public improvement assessments granted to cemetery property.

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

Signed by all members of the Committee except Representatives Hamakawa, Kawakami and Stegmaier.

SCRep. 1438-96 Education on S.B. No. 2446

The purpose of this bill is to make the education laws easier to understand in light of the systemic policy reforms that have taken place over the past several years, by recodifying the education statutes.

Supportive testimony was received from the Department of Education, the Hawaii State Teachers Association, and the Hawaii Business Roundtable.

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

- (1) Clarifying the findings and purpose provision by stating that the basic changes in thinking about the conduct of public education in our State have caused the Legislature to review the structure and operation of the public education system;
- (2) Clarifying that educational officers remain subject to the certification standards established by the Department of Education; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2446, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2446, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

SCRep. 1439-96 Legislative Management on H.C.R. No. 65

The purpose of this concurrent resolution is to request the Legislative Auditor to investigate conditions and standards of the medical system within the state correctional system and make recommendations.

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

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Legislative Auditor to make appropriate recommendations; and
- (2) Making technical, nonsubstantive amendments to correct an inaccuracy and for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 65, H.D. 1.

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

SCRep. 1440-96 Health on H.C.R. No. 324

The purpose of this concurrent resolution is to urge youth athletic leagues in Hawaii to adopt policies discouraging tobacco and alcohol use by coaches, parents and family members during league practices and games.

Testimony in support of this concurrent resolution was received from The Department of Health, the Hawaii Nurses' Association, the Hawaii Medical Association, the American Cancer Society Hawaii Pacific Division, the Hawaii Medical Service Association, the American Heart Association, the University of Hawaii College of Education, and the Director of the Hawaii Youth Sports and Fitness Program of the University of Hawaii.

Your Committee finds that the adoption of policies that discourage the use of tobacco and alcohol by adults involved in youth athletic leagues is one more step in the mosaic of trying to prevent our children from becoming addicted to tobacco or abusing alcohol. Coaches and parents are viewed as role models for Hawaii's youth. These policies will not only contribute to the establishment of healthy life-styles, but will also serve to present a consistent message to our youth that alcohol and tobacco use are undesirable.

Your Committee made a non-substantive amendment to this concurrent resolution for purposes of consistency and clarity.

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. 324, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 324, H.D. 1.

Signed by all members of the Committee except Representatives Stegmaier and Anderson.

SCRep. 1441-96 Finance on S.B. No. 1735

The purpose of this bill is to provide increased flexibility in the loan programs of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Incorporating the Hawaii Small and Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Revolving Funds into the Hawaii Capital Loan Program; and
- (2) Authorizing the DBEDT to:
 - (a) Transfer up to \$1,000,000 within the calendar year to the State Disaster Revolving Loan Fund, the Hawaii Capital Loan Revolving Fund, or the Hawaii Innovation Development Fund; and
 - (b) Transfer up to \$2,000,000 in the aggregate, within the calendar year, between the State Disaster Revolving Loan Fund and the Hawaii Capital Loan Revolving Fund or the Hawaii Innovation Development Fund; provided that the Governor proclaims a state disaster.

The DBEDT submitted comments on this measure.

Your Committee has made technical, nonsubstantive amendments for purposes of consistency 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 S.B. No. 1735, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1735, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1442-96 Finance on S.B. No. 2145

The purpose of this bill is to give the Superintendent of Education (Superintendent) greater flexibility in the acquisition of public school facilities.

Among other things, this bill would:

- (1) Authorize the Superintendent to expend funds from the State Educational Facilities Improvement Special Fund;
- (2) Allow the Superintendent to enter into contracts, lease-purchase agreements, or other transactions for the acquisition of public school facilities;
- (3) Allow the Superintendent to plan, design, acquire lands for, construct, and equip public school facilities;
- (4) Not extend the Superintendent's authority to expend funds for the facilities of the State Public Library System; and
- (5) Require the Board of Education to adopt educational specifications and standards for facilities.

The Department of Education and the Department of Accounting and General Services submitted testimony on this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision authorizing the Superintendent to expend funds from the State Educational Facilities Improvement Special Fund;
- (2) Deleting the provision not extending the Superintendent's authority to expend funds for the facilities of the State Public Library System;
- (3) Deleting the provision requiring the Board of Education to adopt educational specifications and standards for facilities; 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 S.B. No. 2145, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2145, S.D. 1, H.D. 2.

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

SCRep. 1443-96 Finance on S.B. No. 2152

The purpose of this bill is to enable employees of the University of Hawaii (UH) and the Department of Education (DOE) to invest retirement funds in mutual funds held in custodial accounts, thereby qualifying for favorable benefits under federal tax law.

Among other things, this bill:

- (1) Allows the State to establish a Tax-deferred Annuity Plan (Plan) for the benefit of UH and DOE employees;
- (2) Establishes a Board of Trustees, to be placed with the UH for administrative purposes, to establish, administer, and maintain the Plan; and
- (3) Allows the DOE and UH to contract for the purchase of investment custodial accounts and to pay amounts to custodial accounts for employees.

The DOE, UH, the University of Hawaii Professional Assembly, and the Hawaii State Teachers Association submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Deleting section 1 of the bill, as received, which establishes a Plan and Board of Trustees; however, your Committee retained the provision limiting the liability of the State, DOE, and UH;
- (2) Deleting the provision allowing the DOE or UH to enter into a written agreement to purchase a mutual fund custodial account from a company who is licensed to do business in the State;
- (3) Allowing the DOE and UH to adopt rules on the administration of custodial accounts;
- (4) Making the bill take effect upon the adoption of rules on the administration of custodial accounts by the UH and DOE; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2152, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2152, S.D. 1, H.D. 2.

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

SCRep. 1444-96 Finance on S.B. No. 2209

The purpose of this bill is to give the State Librarian greater flexibility in the reallocation of vacant staff positions.

The Department of Education testified in support of this measure. The Department of Budget and Finance commented on the bill.

Your Committee has amended the bill by:

- (1) Removing the State Librarian's authority to authorize position classifications and to conduct recruitment; and
- (2) 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 S.B. No. 2209, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2209, S.D. 2, H.D. 1.

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

SCRep. 1445-96 Finance on S.B. No. 2210

The purpose of this bill is to make permanent the Hawaii State Public Library System's project, State Library Innovation Model: Maximizing Employees and Revenues (SLIMMER), which seeks to provide enhanced library services to the public.

Project SLIMMER was established by Act 327, Session Laws of Hawaii 1993, and is scheduled to sunset on July 1, 1996.

Testimony supporting the measure was received from the Department of Education. The Department of Budget and Finance submitted comments on the bill.

Your Committee has amended this bill to:

- (1) Repeal project SLIMMER on July 1, 1999; and
- (2) Take effect on June 30, 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 S.B. No. 2210, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2210, S.D. 1, H.D. 1.

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

SCRep. 1446-96 Finance on S.B. No. 2211

The purpose of this bill is to allow the Department of Education to initiate the next viable school construction project approved by the Board of Education and authorized by the Legislature from the supplemental project list, if the construction of a project is delayed.

The Department of Education supported the measure. The Department of Accounting and General Services supported the intent of this measure.

Your Committee has amended the bill by deleting its contents and inserting the language contained in H.B. No. 3619, H.D. 1.

As amended, this bill proposes an amendment to the State Constitution to allow appropriations from the State Educational Facilities Improvement Special Fund to be made for periods exceeding three years to accommodate "design-build" contracts.

As affirmed by the record of votes of 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. 2211, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2211, S.D. 2, H.D. 2.

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

SCRep. 1447-96 Finance on S.B. No. 2341

The purpose of this bill is to permit the University of Hawaii system of community colleges to:

- (1) Provide two- and four-year vocational technical education programs; and
- (2) Confer corresponding degrees or certificates to students upon the successful completion of any of the colleges' educational programs.

The Office of the Mayor, County of Maui, submitted testimony in support of this measure. The University of Hawaii submitted comments on this measure.

Your Committee has made technical, nonsubstantive amendments for the purpose of 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 S.B. No. 2341, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2341, H.D. 1.

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

SCRep. 1448-96 Finance on S.B. No. 2795

The purpose of this bill is to provide emergency funding for child and adolescent mental health programs.

Your Committee has received a message from the Governor, dated February 6, 1996:

- (1) Stating that additional funding is needed for the Child and Adolescent Mental Health Division; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure continuation of provision of child adolescent mental health programs.

The Department of Health and the Mental Health Association in Hawaii testified in support of this measure.

Your Committee has amended this bill by:

- (1) Appropriating a total of \$5,902,756 for fiscal year 1996-1997 to be used for eight types of services for emotionally disturbed children and adolescents; and
- (2) 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 S.B. No. 2795, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2795, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1449-96 Finance on S.B. No. 2866

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to transfer certain parcels of land from the Villages of Kapolei on Oahu and Villages of Laiopua in Kealahou, Hawaii, to the Department of Hawaiian Home Lands (DHHL) to satisfy the requirement of section 6(1) of Act 14, Special Session Laws of Hawaii 1995.

The Office of the Governor, the Department of Budget and Finance, and the Office of Hawaiian Affairs testified in support of this bill. The DHHL supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Requiring that the transfer of lands take place within one year of the effective date of this bill;
- (2) Identifying five additional parcels of the Villages of Kapolei to be transferred;
- (3) Clarifying that the portion of the Villages of Laiopua to be transferred consists of Village 3;
- (4) Deleting a provision specifying that the transfer of lands and improvements to DHHL does not "bridge" or violate the trust entitlement due to OHA; and
- (5) Making technical, nonsubstantive revisions for the purpose of 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 S.B. No. 2866, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2866, S.D. 2, H.D. 2.

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

SCRep. 1450-96 Finance on S.B. No. 2887

The purpose of this bill is to increase the terms of the members of the Correctional Industries Advisory Committee from two years to four years.

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

Your Committee has amended this bill by 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 S.B. No. 2887, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2887, H.D. 1.

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

SCRep. 1451-96 Finance on S.B. No. 2941

The purpose of this bill is to enable commercial fishing programs to benefit directly from the various fees and penalties associated with commercial fishing activities.

This bill establishes a Commercial Fisheries Special Fund (Special Fund) within the Department of Land and Natural Resources (DLNR) to provide the funding necessary for the conservation, improvement, monitoring, and management of commercial fisheries.

DLNR supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Appropriating \$100,000 from this Special Fund; and
- (2) Making technical, nonsubstantive revisions for the purpose of 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 S.B. No. 2941, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2941, S.D. 2, H.D. 2.

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

SCRep. 1452-96 Finance on S.B. No. 3240

The purpose of this bill is to simplify the implementation and improve the effectiveness of the current enterprise zone law by clarifying the eligibility requirements for "qualified businesses".

The Department of Business, Economic Development, and Tourism, the Department of Taxation, and the Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the definition of "information technology services" to "information technology design and production services" to reflect that it encompasses only design and production services; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency 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 S.B. No. 3240, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3240, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1453-96 Finance on S.B. No. 3262

The purpose of this bill is to facilitate business loans to counties with populations of less than 100,000 by allowing the Department of Business, Economic Development, and Tourism (DBEDT) to make loans to business concerns located in these counties.

Testimony in support of the bill was received from DBEDT.

Your Committee has amended the measure by:

- (1) Increasing the population requirement of the county in which DBEDT is allowed to make these types of loans to 150,000; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3262, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3262, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1454-96 Finance on S.B. No. 2098

The purpose of this bill is to clarify that the provisions relating to prior accounts and the voidance of encumbrances are functions of the Comptroller.

This bill:

- (1) Transfers from the Director of Finance to the Comptroller the responsibility for determining when encumbrances for claims are inactive; and
- (2) Specifically requires the Comptroller to establish new accounts for all special and revolving funds on July 1st of each fiscal year. Unencumbered cash balances would be deposited in the appropriate account for the current fiscal year.

The Department of Accounting and General Services testified 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 S.B. No. 2098, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1455-96 Finance on S.B. No. 3135

The purpose of this bill is to require the Legislature to convene and review any allotment modifications or reductions proposed by the Director of Finance in excess of 2.5 percent of the total general fund appropriation made by the Legislature in any fiscal year.

The Department of Budget and Finance commented on this measure.

Your Committee has amended the bill by deleting the requirement that the Legislature convene to review the proposed modifications or reductions made by the Director of Finance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3135, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3135, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1456-96 Consumer Protection and Commerce on S.B. No. 3205

The purpose of this bill is to expand the scope of chapter 481G which protects office machine dealers from the illegal termination of a distributorship contract to also include dealers of oil products. Manufacturers of motor vehicle fuel are exempted from this chapter under the bill.

Testimony in support of the measure was received from Aloha Petroleum Limited.

Currently, chapter 481G prohibits office machine distributors or manufacturers from terminating, cancelling, or refusing to renew a dealership contract without first giving the dealer ninety days advance written notice by certified mail, subject to certain exceptions. A distributor who violates this law is liable to the dealer for monetary and injunctive relief.

Your Committee finds that dealers in oil products, such as motor oil, antifreeze, and lubricants, require similar protection against the unforeseen unilateral cancellation of distributorship contracts. Local independent dealerships invest substantial amounts of time and money developing a market for a manufacturer's products and could suffer serious financial hardship if manufacturers are permitted to terminate a distributorship contract without prior written notice.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3205 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 Hamakawa, Herkes, Hiraki and Tom.

SCRep. 1457-96 Consumer Protection and Commerce on S.B. No. 2503

The purpose of this bill is to enable motor vehicle rental companies to offer an additional fueling option to their customers.

Testimony in support of the bill was received from the Hertz Corporation, and the Car and Truck Rental and Leasing Association (CATRALA). Testimony in opposition to the bill was received from the Department of Commerce and Consumer Affairs (DCCA).

Currently, motor vehicle rental companies (lessors) provide, by statute, a refueling option in which the lessee is to return the vehicle with the same amount of fuel that was in the tank at the time that the lessee accepted delivery of the vehicle. If the lessee returns the vehicle with less fuel, the lessee is charged the prevailing market price, plus a surcharge of up to one-half of the market price.

This bill permits the lessors to provide an additional fueling option. This option provides for the lessee to purchase a full tank of fuel at the time of taking delivery of the vehicle (pre-purchase the fuel) at the prevailing retail market price. With this option, the lessee has the convenience of returning the vehicle with any amount of fuel remaining. The lessee does not need to refuel the vehicle before returning it to the lessor and will not be charged by the lessor for any additional refueling.

Furthermore, if the vehicle is driven one hundred miles or less, the lessors may cancel the pre-purchase fuel option, and instead, charge the customer for refueling at the prevailing market price, plus a surcharge of up to one-half of the market price. Although the price of the fuel is higher than if the lessee had filled the tank himself or herself, the total will be less expensive than having pre-purchased an entire tank of fuel.

The pre-purchase fueling option is designed to be a convenience factor for those persons desiring to avoid having to refuel the vehicle themselves or incur the lessor's higher refueling fee. Generally, this option is utilized by persons renting a vehicle while on business, where a time schedule may preclude the opportunity to refuel before returning the vehicle, or a company's policy is to pre-purchase the fuel. This option is widely offered by the major lessors on the mainland, and many business travellers are disappointed that this option is not available in Hawaii.

Additionally, this bill prohibits the lessor from paying commissions to its employees for selling any fuel charge options. This is in response to concerns from the DCCA that different fueling options will result in commission incentives encouraging employees of the lessor to sell fueling options that are not in the best interest of the lessee.

Your Committee believes there is merit in passage of this bill and this bill addresses some of the concerns stated by both the Governor and the DCCA in regards to a similar bill that was considered during the prior session of this Legislature.

However, upon careful consideration and in response to the remaining concerns of the Governor and the DCCA, your Committee has amended this bill by inserting the language from H.B. No. 3086, H.D.1. These amendments provide the following additional substantive changes:

- (1) For the pre-purchase fuel option, if the lessee returns the vehicle with a full tank of fuel, the lessee will be credited for the pre-purchased fuel. In effect, the pre-purchase fuel option and its charges will have been cancelled;
- (2) For the pre-purchase fuel option, if the lessee drives less than 100 miles, and the lessee has not returned the vehicle with a full tank of fuel, the lessee's pre-purchase fuel charges shall be cancelled, and the lessee will instead be charged a refueling fee at the market price plus a surcharge of up to one-half of the market price. In other words, if the vehicle is not driven far, the lessee will have returned the vehicle with a significant amount of pre-purchased fuel remaining in the fuel tank. Therefore, the lessor shall, in effect, cancel the pre-purchase option and only charge for the fuel needed to refuel the vehicle. Although the fuel will be more expensive than if the lessee had fueled the vehicle himself or herself, the total cost will be less than that of a pre-purchased full tank of fuel; and

- (3) An error has been corrected in subsection (f) regarding the formula to be used by the lessor in determining the prevailing retail price to charge for refueling.

Furthermore, your Committee has made additional technical, nonsubstantive changes for purposes of style, clarity, and consistency.

This bill, with your Committee's amendments, provides for both a viable new option in refueling charges and addresses significant concerns from the Governor and the DCCA.

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

Signed by all members of the Committee except Representatives Yoshinaga, Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1458-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2546

The purpose of this bill is to reduce the illegal sale of tobacco products to minors by increasing the fines for selling tobacco products to minors.

Testimony supporting the measure was received from the Department of Health, the Police Department of the City and County of Honolulu, the Hawaii Medical Association, the American Lung Association of Hawaii, the American Cancer Society Hawaii Pacific Division, the American Heart Association-Hawaii Affiliate, and a concerned individual. The Hawaii Food Industry Association and the Tobacco Institute submitted testimony opposing the bill.

Testimony indicated that the current law regarding the sale of tobacco products to minors provides fines and penalties for both the buyer and the seller. However, these penalties appear to be ineffective in deterring illegal sales to minors. Many merchants do not have the required signage, are not aware of the law, may not consider the fines a significant deterrent, and often sell tobacco products to minors.

This bill proposes to increase the fines for selling tobacco products to minors to \$2,500 for the first offense and to \$5,000 for subsequent offenses. Your Committees believe that these increases will provide a forceful tool to:

- (1) Make merchants aware of the law; and
- (2) Increase compliance with the law.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2546, S.D. 2, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki, Saiki and Tom.

SCRep. 1459-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2738

The purpose of this bill is to provide consistency in the consumer protection statutes by amending certain provisions so that they uniformly relate to the unfair or deceptive acts or practices statute.

The Department of Consumer Protection and Commerce submitted testimony supporting the measure.

Your Committees find that each of the provisions contained in the bill is enforced by the Office of Consumer Protection. Violations of these provisions are deemed to be unfair or deceptive acts or practices, and as such, are subject to penalties ranging from \$500 to \$10,000 per violation. This bill is designed to remove duplicative or unnecessary recitation of penalty provisions in favor of a simple reference to the unfair or deceptive acts or practices statute.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2738 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki, Saiki and Tom.

SCRep. 1460-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2984

The purpose of this bill is to give judges discretion to determine whether to award holdover rent in summary possession proceedings when a tenant wrongfully remains on the property after the termination of a rental agreement by making the holdover rent award discretionary rather than mandatory.

Testimony supporting the measure was received from the Department of Commerce and Consumer Affairs. The Judiciary submitted comments on the bill.

Currently, judges are required to award an amount not exceeding twice the monthly rent against any residential tenant who is determined to have improperly stayed on the property. However, testimony indicated that there are situations

where the mandatory award is excessively harsh and burdensome. Your Committees feel that in these situations, judges should have the authority to take into account mitigating factors that may have attributed to the holdover situation.

Your Committees have amended the bill by making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2984, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2984, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Chun Oakland, Hamakawa, Hiraki, McMurdo and Tom.

(Representatives Herkes, Kawananakoa and Meyer voted no.)

SCRep. 1461-96 Finance on S.B. No. 641

The purpose of this bill is to provide grants-in-aid to community cable television stations to purchase needed equipment to videotape legislative proceedings for rebroadcasting at convenient viewing times for residents of Maui, Kauai, and Hawaii.

Testimony in support of this measure was submitted by Hoike Kauai Community Television, Inc. Na Leo 'O Hawaii, Inc. commented 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 S.B. No. 641, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1462-96 Finance on S.B. No. 2338

The purpose of this bill is to exempt the University of Hawaii Library Special Fund from assessments for state central service expenses and for departmental administrative expenses.

The University of Hawaii 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 S.B. No. 2338, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1463-96 Finance on S.B. No. 2388

The purpose of this bill is to establish a temporary, ad hoc coordinating committee to design and develop a single entry point system for long-term care for the elderly and disabled.

The Hawaii Medical Association and the American Association of Retired Persons submitted testimony in support of this bill. The Department of Health submitted testimony in support of the intent of this bill. The Department of Human Services, the Hemophilia Foundation of Hawaii, the Executive Office on Aging, Catholic Charities of the Diocese of Honolulu, the Assisted Living Options Task Force, and several concerned individuals submitted comments on 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 S.B. No. 2388, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1464-96 Finance on S.B. No. 2421

The purpose of this bill is to allow the Department of Hawaiian Homes Lands to negotiate the lease of Hawaiian home lands through public auction.

The Department of Hawaiian Home Lands commented 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 S.B. No. 2421, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1465-96 Finance on S.B. No. 2728

The purpose of this bill is to facilitate the functions of escrow depositories by:

- (1) Increasing the minimum amount of the fidelity bond filed by the surety insurers from between \$5,000 and \$25,000 to not less than \$25,000;
- (2) Increasing the errors and omissions insurance policy for escrow depositories from between \$50,000 and \$100,000 to not less than \$100,000;
- (3) Providing for a flexible deductible amount subject to the approval of the Commissioner for both the fidelity bonds and the errors and omissions insurance policies; and
- (4) Providing for the deposit of fees, penalties, and other charges assessed against escrow depositories into the Financial Institution Examiner's Revolving Fund.

The Department of Commerce and Consumer Affairs 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 S.B. No. 2728 and recommends that it pass Third Reading.

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

SCRep. 1466-96 Finance on S.B. No. 2789

The purpose of this bill is to repeal various health statutes administered by the Department of Health (DOH) that are now obsolete or unenforceable due to state budget reductions and lack of funds.

The DOH and the Oahu Alliance for the Mentally Ill 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 S.B. No. 2789, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1467-96 Finance on S.B. No. 2797

The purpose of this bill is to streamline the provision of the monthly food package provided as part of the Women, Infant and Children Special Supplemental Nutrition Program by exempting funds provided by the United States Department of Agriculture for this program from the requirement that state funds be deposited in the state treasury.

The Department of Health 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 S.B. No. 2797, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1468-96 Finance on S.B. No. 3052

The purpose of this bill is to clarify state policy regarding the regulation of certain professions and vocations by:

- (1) Requiring that the regulation of full licensure or other restrictions on certain professions or vocations be retained or adopted when the health, safety, and welfare of consumers may be jeopardized;
- (2) Deleting the requirement that the regulation of professions and vocations be imposed to protect consumers who are at a disadvantage in choosing or relying on the provider of the service;
- (3) Specifying that regulations that artificially increase the costs of goods and services to the consumer are to be avoided, except in cases where the Legislature determines that the cost exceeds the potential danger to the consumer;
- (4) Providing that professional and vocational regulations be eliminated when the Legislature determines that the regulations have no further benefit to consumers; and
- (5) Requiring that fees for regulation and licensure be imposed for all vocations and professionals subject to regulation, provided that program fees are not less than the costs of administering the program.

The Department of Commerce and Consumer Affairs submitted testimony supporting 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 S.B. No. 3052 and recommends that it pass Third Reading.

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

SCRep. 1469-96 Finance on S.B. No. 3108

The purpose of this bill is to provide a more realistic framework under which the Department of Business, Economic Development, and Tourism (DBEDT) may act to assist the emerging recycling industry in Hawaii by:

- (1) Dissolving the governing board of the Clean Hawaii Center (Center) and authorizing DBEDT to assume the duties previously assigned to the board;
- (2) Maintaining the Center's program's until June 30, 1999; and
- (3) Authorizing DBEDT to receive moneys from other government agencies through a simple transfer of funds.

The DBEDT, the Department of Health, and the Hawaii Food Industry Association 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 S.B. No. 3108, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1470-96 Finance on S.B. No. 3188

The purpose of this bill is to clarify the collection and payment responsibilities of the plan manager of time share associations by:

- (1) Deleting the provision that the plan manager be primarily liable for the payment of real property taxes, and instead requiring the plan manager to collect and pay the real property taxes due on the time share units under the plan manager's authority, as agent of the owners of the units; and
- (2) Specifying that the right to contest or appeal any real property assessment applies to the plan manager and any person having an interest in the time share unit.

Testimony in support of this measure was submitted by PAHIO Management, Inc., ARDA Hawaii, and the Bay Club Vacation Ownership Association in Waikoloa. Timeshare Resales 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 S.B. No. 3188 and recommends that it pass Third Reading.

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

SCRep. 1471-96 Finance on S.B. No. 2238

The purpose of this bill is to appropriate funds to support the planning for the conceptual design and construction of an Ocean Floating All-Natural Clean Energy Power Station.

Testimony in support of this bill was received from the American Institute of Architects Hawaii State Council, the Honolulu Japanese Chamber of Commerce, the Construction Industry Legislative Organization, Inc., and an individual. The University of Hawaii submitted comments on 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 S.B. No. 2238, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1472-96 Finance on S.B. No. 2278

The purpose of this bill is to support agricultural research and development performed by the Hawaii Agriculture Research Center (HARC), the new name for the Hawaiian Sugar Planters' Association, by:

- (1) Transferring funds from the Agriculture Loan Revolving Fund to the general fund for fiscal year 1996-1997; and
- (2) Appropriating funds, subject to two matching fund provisions.

Testimony in support of this bill was received from the Pineapple Growers Association of Hawaii, the Hawaii Farm Bureau, the Hawaiian Sugar Planters Association, Amfac Sugar and Agribusiness, Inc., Maui Pineapple Company, Ltd., Gay and Robinson, Inc., Dole Food Company Hawaii, Del Monte Fresh Produce (Hawaii) Inc., and Coffees of Hawaii.

The Department of Agriculture, Aloha Produce Corporation, the Hawaii Banana Industry Association, the Big Island Banana Growers Association, Hawaii Pacific University, the Hawaii Plant Tissue Culture Association, and several individuals 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 S.B. No. 2278, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Jones and Kahikina.

SCRep. 1473-96 Finance on S.B. No. 2458

The purpose of this bill is to provide a coordinated shoreline and ocean waters enforcement program by transferring the functions of the Marine Patrol Program from the department of public safety to the department of land and natural resources.

Testimony in support of this bill was submitted by the Department of Public Safety, the Hawaii Government Employees Association, and MCBOAT. The Department of Land and Natural Resources and a private citizen submitted comments.

As affirmed by the record of votes of 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. 2458, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 1474-96 Finance on S.B. No. 2723

The purpose of this bill is to encourage business by providing flexibility through the authorization of the formation of limited liability companies which are business entities that limit shareholder liabilities but are taxed as partnerships.

Supportive testimony was received from the Department of Commerce and Consumer Affairs, the National Federation of Independent Business, the Hawaii Association of Realtors, Hawaii's Commission to Promote Uniform Legislation, the Hawaii State Bar Association, the Chamber of Commerce of Hawaii, the Honolulu Japanese Chamber of Commerce, Hawaiian Electric Company, Inc., Pacific Resource Partnership, and a concerned individual.

As affirmed by the record of votes of 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. 2723, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1475-96 Finance on S.B. No. 2730

The purpose of this bill is to improve the ability of the Department of Commerce and Consumer Affairs to provide more efficient services to the business community by:

- (1) Adjusting the current level of fees for discussion purposes; and
- (2) Exempting securities issued by certain investment companies, such as mutual funds, from registering and filing advertising materials with the Commissioner of Securities (Commissioner) provided the Commissioner receives a notice of intention to sell and the filing fee.

Supportive testimony was received from the Hawaii State Bar Association, the Investment Company Institute, and Fidelity Investments. The Department of Commerce and Consumer Affairs and the Hawaii Society of Certified Public Accountants submitted comments on 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 S.B. No. 2730, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1476-96 Finance on S.B. No. 2811

The purpose of this bill is to authorize the creation of a mandatory new deferred compensation retirement plan for part-time, temporary, and seasonal or casual employees who are not eligible to participate in the State's existing deferred compensation plan or employees' retirement system.

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

As affirmed by the record of votes of 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. 2811, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1477-96 Finance on S.B. No. 2912

The purpose of this bill is to authorize the Contractors License Board to revoke, suspend, or refuse to renew a license for failure to pay delinquent general excise taxes, interest, or penalties related to the business of contracting.

The Department of Taxation, the Contractors License Board, and the Chamber of Commerce of Hawaii submitted testimony in support of the bill. The Tax Foundation of Hawaii submitted comments on the bill.

Your Committee expects the Contractors Licensing Board, when deciding whether to revoke, suspend, or refuse to renew a license, to take into consideration any good faith effort by the contractor to negotiate a payment plan with the Department of Taxation.

As affirmed by the record of votes of 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. 2912 and recommends that it pass Third Reading.

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

SCRep. 1478-96 Finance on S.B. No. 2913

The purpose of this bill is to enhance tax compliance of persons contracting with the state and county governments by requiring contractors to verify that they are current in their filing and payment of taxes before entering into state and county contracts.

Testimony in support of this measure was submitted by the Internal Revenue Service, the Department of Taxation, the Department of Defense, the Pacific Resource Partnership, and the Hawaii Operating Engineers Industry Stabilization Fund. The Tax Foundation of Hawaii commented 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 S.B. No. 2913, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1479-96 Finance on S.B. No. 2965

The purpose of this bill is to exempt concessions at county botanic gardens and other county parks that are environmentally, historically, or operationally unique from applicable bidding requirements.

Numerous officials and members of the Friends of Waipahu Cultural Garden Park testified in support of this measure. The Department of Parks and Recreation, City and County of Honolulu submitted testimony in support of the intent 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 S.B. No. 2965, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1480-96 Finance on S.B. No. 3011

The purpose of this bill is to allow the Housing Finance and Development Corporation (HFDC), subject to the availability of funds and in consultation with the Departments of Accounting and General Services, Education, and Health, to enter into development agreements with private developers to expedite the construction of school facilities within the Villages of Kapolei.

Testimony in support of the intent of this bill was received from the Department of Education and HFDC.

As affirmed by the record of votes of 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. 3011, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Jones and Kahikina.

SCRep. 1481-96 Finance on S.B. No. 3021

The purpose of this bill is to repeal obsolete laws relating to Education.

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

As affirmed by the record of votes of 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. 3021, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1482-96 Finance on S.B. No. 3079

The purpose of this bill is to reestablish the Employee Ownership and Participation Program to support and encourage expanded opportunities for employee ownership and participation in Hawaii businesses.

The Department of Business, Economic Development, and Tourism 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 S.B. No. 3079, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1483-96 Finance on S.B. No. 3091

The purpose of this bill is to provide more certainty in capital financial planning, and more flexibility in addressing changing statewide funding priorities. Specifically, this bill proposes an amendment to the State Constitution that will repeal a provision permanently preventing the lapsing of unencumbered general obligation bond funds determined by the Legislature to be necessary to qualify for federal aid financing and reimbursement.

The Department of Budget and Finance submitted testimony in support of the bill. The Tax Foundation of Hawaii and the Attorney General submitted comments 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 S.B. No. 3091, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1484-96 Finance on S.B. No. 3158

The purpose of this bill is to provide substantial savings in workers' compensation and other liability insurance costs by authorizing the issuance of pooled insurance for public works and private construction projects with estimated costs of \$50,000,000 or more.

Additionally, this bill allows the Insurance Commissioner to adjust or terminate the take-out credit program for the residual market plan.

The Department of Accounting and General Services, the Convention Center Authority, and Marsh & McLennan, Inc. submitted testimony in support of this bill. The Department of Commerce and Consumer Affairs and Eagle Insurance Group submitted comments on 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 S.B. No. 3158, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1485-96 Finance on S.B. No. 3166

The purpose of this bill is to appropriate funds for the Hawaii Winter Baseball League (HWBL).

Testimony in support of this measure was submitted by the owner of the HWBL. Comments were received from the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of 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. 3166, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1486-96 Finance on S.B. No. 3198

The purpose of this bill is to address the health care needs of the residents of Hana by requiring the Department of Health to enter into a memorandum of agreement (MOA) that among other things:

- (1) Develops a detailed plan for the transition of the Hana Medical Center to a nonprofit organization; and
- (2) Releases the Hana Medical Center from the Division of Community Hospitals upon the successful completion of the terms of the MOA and resolution of certain issues.

Testimony in support of this measure was submitted by the Department of Health, the Maui County Council, and the Hana Health Committee. The Hawaii Government Employees Association submitted testimony in support of the intent of this measure. Comments were received from the United Public Workers.

As affirmed by the record of votes of 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. 3198, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1487-96 Finance on S.B. No. 3267

The purpose of this bill is to request the Student Conference Committee to suspend its 1997 Annual Conference and in its place convene a Student Governance Summit to review the organizational structure, roles, and responsibilities of the Student Conference Committee and the individual school councils.

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 S.B. No. 3267, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1488-96 Finance on S.B. No. 608

The purpose of this bill is to approve a land exchange between the State and the Estate of James Campbell involving approximately 183 acres of land in Kapolei, Oahu.

The Department of Budget and Finance, the Department of Land and Natural Resources, and the Estate of James Campbell testified in support of this bill. The Office of Hawaiian Affairs offered comments.

Your Committee has amended this bill by:

- (1) Correcting the tax map key numbers that identify the parcels involved in the exchange; and
- (2) Making technical, nonsubstantive revisions for the purpose of 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 S.B. No. 608, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 608, S.D. 2, H.D. 2.

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

SCRep. 1489-96 Finance on S.B. No. 2022

The purpose of this bill is to appropriate funds for the Hawaiian Language Immersion Program.

Testimony in support of this bill was received from the Association of Hawaiian Civic Clubs, Punana Leo O Waimea Preschool, the Democratic Party of Hawaii, and several concerned individuals. The Department of Education and the Office of Hawaiian Affairs submitted testimony in support of the intent of this measure.

Your Committee has amended this bill by:

- (1) Deleting the requirement to establish a Hawaiian Language Immersion Program in Waimea Canyon, Kauai;
- (2) Providing funds for staffing, equipment, and supplies for the Hawaiian Language Immersion Program at Puohala Elementary School on Oahu; and
- (3) Making technical, nonsubstantive amendments for the 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 S.B. No. 2022, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2022, S.D. 1, H.D. 2.

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

SCRep. 1490-96 Finance on S.B. No. 2090

The purpose of this bill is to improve the safety of pesticide use by:

- (1) Establishing the Pesticide Use Revolving Fund (Revolving Fund) to provide funding for certain Department of Agriculture (DOA) programs relating to pesticides;
- (2) Establishing an annual licensing fee of \$75 for all pesticides regardless of use classification;
- (3) Increasing the penalty for certain pesticide violations; and
- (4) Imposing a twenty-day time limit in which to request an administrative hearing for a pesticide violation.

Testimony in support of this measure was received from the Hawaii Farm Bureau. The DOA, Applied Public Relations, the Hawaii Pest Control Association, and the Pineapple Growers Association of Hawaii submitted testimony in support of the intent of this measure.

Your Committee has amended this bill to:

- (1) Require that only one-third of pesticide licensing fees be deposited into the Revolving Fund rather than fifty per cent of the fees;

- (2) Include consumer users of pesticides in the group of pesticide users for whom DOA can establish training workshops, educational programs, and other services;
- (3) Delete the provision which would have allowed moneys in the Revolving Fund to be used for the registration of specialty pesticide products;
- (4) Permit moneys in the Revolving Fund to be used for the purchase of services, in addition to materials and equipment; and
- (5) Make 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 S.B. No. 2090, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2090, S.D. 2, H.D. 2.

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

SCRep. 1491-96 Finance on S.B. No. 2264

The purpose of this bill is to provide an additional source of funding for legal services for indigent persons through a surcharge on filing fees for civil cases.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Hawaii State Bar Association, the Legal Aid Society of Hawaii, the Hawaii Justice Foundation, the Protection and Advocacy Agency of Hawaii, the Domestic Violence Clearinghouse and Legal Hotline, Hawaii Lawyers Care, the Native Hawaiian Legal Corporation, the American Civil Liberties Union of Hawaii, and Na Loio No Na Kanaka. The Judiciary and the Department of Budget and Finance submitted comments on this measure.

Your Committee 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2264, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2264, S.D. 2, H.D. 2.

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

SCRep. 1492-96 Finance on S.B. No. 2322

The purpose of this bill is to:

- (1) Allow the issuance of permits to acquire firearms to spouses jointly; and
- (2) Charge a fee for first-time applicants for a permit to acquire firearms, not to exceed \$35, to cover the costs of Federal Bureau of Investigation fingerprint checks.

Testimony in support of the intent of this measure was received by the Honolulu Police Department and the Hawaii Rifle Association.

Your Committee has amended the bill by deleting the \$35 fee ceiling.

As affirmed by the record of votes of 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. 2322, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2322, S.D. 2, H.D. 2.

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

SCRep. 1493-96 Finance on S.B. No. 2401

The purpose of this bill is to enable the Judiciary to increase its efficiency, productivity, and accessibility to serve the public by:

- (1) Establishing the Judiciary Computer System Special Fund (Special Fund) to upgrade the Judiciary's computer system;
- (2) Increasing the fee charged by the traffic violations bureaus for certified abstracts by \$2 to be deposited into the Special Fund; and
- (3) Establishing a Task Force to explore development of a pilot project for computer-based digital and electronic filing of court documents.

The Judiciary submitted testimony in support of this bill. The Department of Commerce and Consumer Affairs submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Specifying that of the part of the fee charged by the traffic violations bureaus not deposited into the Special Fund is to be deposited into the general fund;
- (2) Appropriating \$800,000 out of the Special Fund for use by the Judiciary for computer systems and the pilot project; and
- (3) Making technical, nonsubstantive revisions for purposes of consistency 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 S.B. No. 2401, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2401, S.D. 2, H.D. 2.

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

SCRep. 1494-96 Finance on S.B. No. 2552

The purpose of this bill is to improve government efficiency and responsiveness by:

- (1) Outlining legislative policies for reorganization; and
- (2) Mandating the Governor to develop implementation strategies to consolidate and reorganize the departments and offices of state government.

Testimony in support of this bill was received from the Office of the Governor, the Department of Agriculture, the Department of Business, Economic Development, and Tourism, and the United Public Workers. The Department of Commerce and Consumer Affairs, the Department of Accounting and General Services, and the Chamber of Commerce of Hawaii submitted testimony supporting the intent of this measure. Comments on this bill were received from the Department of Human Resources Development, the Department of Budget and Finance, the National Federation of Independent Business, and the Hawaii Farm Bureau.

Your Committee has amended this bill by 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 S.B. No. 2552, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2552, S.D. 1, H.D. 2.

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

SCRep. 1495-96 Finance on S.B. No. 2682

The purpose of this bill is to revise the plant and non-domestic animal quarantine law by:

- (1) Authorizing the assessment of fees by the Department of Agriculture (DOA) for import permits;
- (2) Exempting algae, bacteria, and fungi used as food or for food preparation from the quarantine law;
- (3) Modifying the special permit system for certain microorganisms, and applying it to animals as well; and
- (4) Authorizing DOA to issue short-term special permits for certain animals for filming, performance, or exhibition.

DOA, the Department of Business, Economic Development, and Tourism, the Department of Microbiology at the University of Hawaii-Manoa (UH-M), the Hawaii Branch of the American Society for Microbiology, the Department of Plant Molecular Physiology of the College of Tropical Agriculture and Human Resources at UH-M, Hawaii Biotechnology Group, Inc., the Hawaiian Academy of Science, the University of Hawaii Professional Assembly, and Cyanotech Corporation submitted testimony in support of the bill.

Animal Rights Hawaii submitted comments on the bill.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2682, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Jones and Kahikina.

SCRep. 1496-96 Finance on S.B. No. 2699

The purpose of this bill is to expedite the process to establish paternity and child support orders by setting up a simple program for voluntary acknowledgement of paternity immediately before or after the birth of a child, with the assistance of all birthing facilities.

The State Attorney General and the Judiciary submitted testimony in support of this bill. Kapiolani Medical Center for Women and Children supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Deleting the requirement for signatures of the parents to be authenticated by a notary; 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 S.B. No. 2699, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2699, S.D. 1, H.D. 2.

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

SCRep. 1497-96 Finance on S.B. No. 2769

The purpose of this bill is to provide emergency appropriations from the School Facilities Special Fund (Fund) by raising the Fund appropriation ceiling to meet costs based on the expanded use of school facilities for community functions.

Your Committee has received a message from the Governor dated February 13, 1996:

- (1) Stating that additional funding approval is needed to meet the commitment of increased program funding related to the receipt of additional revenues; and
- (2) Requesting the immediate passage of this bill to facilitate the implementation of planned program activities for fiscal year 1996.

The Department of Education submitted testimony supporting the intent of this measure.

Your Committee has amended this bill by making a technical, nonsubstantive amendment 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 S.B. No. 2769, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2769, S.D. 1, H.D. 2.

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

SCRep. 1498-96 Finance on S.B. No. 2770

The purpose of this bill is to provide emergency funding for school electricity payments of the Department of Education (DOE).

Your Committee has received a message from the Governor dated February 5, 1996:

- (1) Stating that additional funding is needed to meet the fiscal obligations of the DOE for electrical services; and
- (2) Requesting the immediate passage of this bill to prevent the reduction or discontinuance of education services to students.

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

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of 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 S.B. No. 2770, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2770, S.D. 2, H.D. 2.

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

SCRep. 1499-96 Finance on S.B. No. 2777

The purpose of this bill is to require the Director of Health to establish fees for loans and other financial assistance to support the operations of the Water Pollution Control Revolving Fund (Fund).

Testimony in support of this bill was submitted by the Department of Health, the Department of Wastewater Management of the City and County of Honolulu, the Board of Water Supply of the City and County of Honolulu, the Department of Public Works of the County of Hawaii, the Department of Public Works and Waste Management of the County of Maui, the Department of Public Works of the County of Kauai, and the Hawaii Water Environment Association.

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 S.B. No. 2777, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2777, S.D. 2, H.D. 2.

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

SCRep. 1500-96 Finance on S.B. No. 2781

The purpose of this bill is to:

- (1) Provide for the immunity of and benefits for emergency medical disaster response volunteer personnel; and
- (2) Transfer the responsibility and funding for emergency medical services training from the Department of Health (DOH) to the University of Hawaii (UH).

Testimony in support of this bill was submitted by DOH, UH, and several private citizens.

Your Committee has amended this bill by:

- (1) Deleting the provisions transferring emergency medical services funding from DOH to Kapiolani Community College; 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 S.B. No. 2781, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2781, S.D. 2, H.D. 3.

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

SCRep. 1501-96 Finance on S.B. No. 2891

The purpose of this bill is to implement programs needed to address the issue of prison overcrowding.

Specifically, this bill appropriates funds for:

- (1) The Integrated Community Sanctions Program;
- (2) Pretrial drug treatment services;
- (3) The Sex Offender Treatment Program;
- (4) The purchase of residential work-furlough services;
- (5) The expansion of parole services;
- (6) Sex offender and substance abuse services for parolees and;
- (7) Two additional parole officers.

Testimony in support of this measure was received from the Department of Public Safety, the State Attorney General, the Corrections Population Management Commission, the Hawaii Paroling Authority, and the Office of the Public Defender. The Judiciary submitted testimony supporting the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the amount of each appropriation to \$2 to facilitate further discussion; 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 S.B. No. 2891, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2891, S.D. 2, H.D. 2.

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

SCRep. 1502-96 Finance on S.B. No. 2894

The purpose of this bill is to authorize the Department of Transportation (DOT) to regulate the commercial motor carrier transportation of infectious substances and medical waste, in addition to potentially harmful materials.

DOT and the Department of Health submitted testimony in support of the bill. Applied Public Relations submitted comments on the bill.

Your Committee 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2894, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2894, S.D. 2, H.D. 2.

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

SCRep. 1503-96 Finance on S.B. No. 2998

The purpose of this bill is to:

- (1) Extend the sunset date of the Environmental Health Program Enhancement and Education Fund from July 1, 1996, to July 1, 2000; and
- (2) Repeal the restriction that a maximum of \$90,000 may be utilized for fund administration during any fiscal year.

The Department of Health and the Hawaii Food Industry Association submitted testimony in support of this bill.

Your Committee has amended the bill by:

- (1) Directing the Director of Health to transfer "on June 29, 2000" rather than "prior to June 30, 2000" the balance remaining in the Environmental Health Program Enhancement and Education Fund to the general fund;
- (2) Changing the effective date from July 1, 1996, to June 28, 1996; and
- (3) 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 S.B. No. 2998, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2998, S.D. 1, H.D. 2.

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

SCRep. 1504-96 Finance on S.B. No. 3154

The purpose of this bill is to encourage greater employer participation in school-to-work activities by providing workers' compensation coverage for students in work-based learning situations who are not paid wages directly by private employers.

The Department of Education and the Department of Labor and Industrial Relations submitted testimony in support of this measure. The State Attorney General submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the provisions of this bill refer only to public school students; and
- (2) Making technical, nonsubstantive revisions for the purpose of style and 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 S.B. No. 3154, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3154, S.D. 2, H.D. 2.

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

SCRep. 1505-96 Finance on S.B. No. 3170

The purpose of this bill is to assist certain Waimanalo farmers who were unable to obtain long-term leases under Act 237, Session Laws of Hawaii 1988 (Act 237), by authorizing the Department of Land and Natural Resources (DLNR) to negotiate long-term leases with these individuals.

DLNR testified in support of this bill.

Your Committee has amended this bill by:

- (1) Mandating that all land parcels subject to Act 237 that are currently zoned for any use other than agriculture shall be redesignated as agricultural lands; and
- (2) Making technical, nonsubstantive revisions for the purpose of 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 S.B. No. 3170, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3170, S.D. 1, H.D. 2.

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

SCRep. 1506-96 Finance on S.B. No. 3231

The purpose of this bill is to prohibit the counties from diminishing or repealing the real property tax exemption existing on November 1, 1989, for property leased to the State where the lessee is required to pay the taxes, for a one year period.

The Department of Accounting and General Services submitted testimony in support of the bill. Comments on the measure were submitted by the Department of the Corporation Counsel of the City and County of Honolulu, the Department of Finance of the City and County of Honolulu, the Maui County Council, and the Tax Foundation of Hawaii.

Your Committee 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3231, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3231, S.D. 1, H.D. 2.

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

SCRep. 1507-96 Finance on S.B. No. 2223

The purpose of this bill, as received by your Committee, is to establish an Emergency and Budget Stabilization Special Fund (Fund) that would provide the State with a means to build a financial reserve to be used for an emergency, an economic downturn, or unforeseen reduction in state revenues.

This bill would require the Legislature to appropriate at least half of the excess general fund balance above five percent of general fund revenues to the Fund. In addition, the bill provides for a cap on the Fund of ten percent of total revenues in the general fund to prevent an excessive accumulation.

The Department of Budget and Finance submitted testimony in support of this bill. Comments were received from the Tax Foundation of Hawaii.

Upon further consideration, your Committee has amended this bill by deleting its substance, and inserting the substance of H.B. No. 2709, H.D. 1. Your Committee notes that H.B. No. 2709, H.D. 1, passed out of the House of Representatives earlier this session after a public hearing before this Committee.

As amended, this bill:

- (1) Establishes an Emergency and Budget Stabilization Fund to, among other things, meet emergencies declared by the Governor or determined to be urgent by the Legislature;
- (2) Authorizes the Legislature to transfer a certain percentage of the general fund balance to the Emergency and Budget and Stabilization Fund whenever the general fund balance at the close of a fiscal year exceeds a certain percentage of the total moneys received in the general fund for that fiscal year;
- (3) Requires the Director of Finance to submit a report on the condition of the Emergency and Budget Stabilization Fund to the Legislature at least twenty days prior to the convening of each Regular Session; and
- (4) Transfers an unspecified sum from the general revenues into the Emergency and Budget Stabilization Fund for fiscal year 1996-1997.

As affirmed by the record of votes of 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. 2223, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2223, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1508-96 Consumer Protection and Commerce on S.B. No. 2502

The purpose of this bill is to clarify the requirements for continuing education waivers for real estate licensees.

The Real Estate Commission (Commission) and the Hawaii Association of Realtors testified in support of the bill.

Currently, the law requires that real estate brokers and salespersons complete ten hours of continuing education or its equivalent as a condition for license renewal. The Commission can waive this requirement for licensees falling within one of four categories. As currently written, however, the requirements for the waivers are so broadly drawn that they could be met by numerous licensees whom the law did not intend to exempt from the continuing education requirement. Further, without greater specificity in the statutes, the Commission is hampered in its efforts to enforce a law intended to protect consumers. Therefore, your Committee supports amending the continuing education waiver requirements for the following four categories:

- (1) The first waiver category exempts a licensee who has been on "active" status in the state for twenty or more years. The intent of this requirement was apparently to exempt individuals for whom real estate brokerage or sales is a primary occupation, and who are, therefore, motivated to maintain their skills and education. However, as the law does not specify that the requisite twenty years run consecutively, it is possible for persons who have not been recently active or for whom real estate brokering and sales are not their primary occupations, to fall within the exemption. Accordingly, section 467-11.5(a)(1), HRS, is amended to clarify that

the licensee shall have been on continuous active status for the three licensing bienniums immediately preceding the renewal application.

- (2) The second category exempts from the continuing education requirement trustees of a private or charitable trust in Hawaii, involved in real estate activity. The presumed justification for this exemption is that a full-time trustee is involved in numerous, complicated real estate transactions, and held to a higher standard of care under state law. However, under the overly broad language of the statute, a licensee who has established a living trust consisting of a personal residence and whose full-time occupation is outside the real estate field could qualify for the exemption. Therefore, section 467-11.5(a)(2), HRS, is amended to require that the licensee have full-time employment as a trustee of a Hawaii charitable trust for the licensing biennium preceding the renewal application.
- (3) The third waiver category exempts attorneys and accountants actively licensed in the state who are involved in the real estate field presumably because these individuals are subject to higher standards of care by virtue of their professions. Section 467-11.5(a)(3), HRS, has been amended to require that these licensees be engaged in the full-time practice of their occupations for the licensing biennium preceding the application renewal.
- (4) The fourth waiver category exempts licensees who have been involved in real estate or with real estate laws in the context of state public or community service for a requisite number of years. While this provision provides an exemption for government officials, it could be used to exempt other licensees whose full-time occupations are outside of real estate, but who have any involvement with real estate transactions, however minor, including as a volunteer for a non-profit organization negotiating a lease. To tighten this exception to the continuing education requirement, section 467-11.5(a)(4), HRS, is amended to specify that the exemption applies only to licensee participants in Hawaii public service who have been involved in real estate or real estate law for the eight year period preceding the renewal application, excluding Commission members.

Technical, nonsubstantive amendments have been made to the bill for purposes of style, clarity, 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 S.B. No. 2502, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2502, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Hiraki, Tom. White and Thielen.

SCRep. 1509-96 Consumer Protection and Commerce on S.B. No. 2637

The purpose of this bill is to permit an insurer to invest up to ten percent of its assets in income-producing real property, subject to certain restrictions.

The Insurance Division of the Department of Commerce and Consumer Affairs submitted comments on the measure.

Currently, insurers are limited to real property investments in a home office building, branch office buildings, and long term leases of property. In the aggregate, an insurer may not invest more than thirty percent of its assets in real property. This bill would permit insurers to invest up to ten percent of their assets in income-producing real property, subject to the following conditions:

- (1) An investment in any single parcel of real estate shall not exceed five percent of the insurer's admitted assets;
- (2) An investment shall produce sufficient cash flow to amortize any mortgage;
- (3) Existing or future improvements on the real property shall vest in the owner at the end of the lease; and
- (4) The tenant shall be responsible for all property taxes and assessments, and with respect to improvements on the property, maintenance and fire insurance coverage.

Your Committee has amended the bill by replacing its contents with the language of H.B. No. 3148, H.D. 1, which is not substantively different, but preferred for reasons 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 S.B. No. 2637, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2637, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Hiraki, Tom. White and Thielen.

SCRep. 1510-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2538

The purpose of this bill is to:

- (1) Protect consumers from unfair, deceptive acts, or practices regarding prize, gift, and other give-away type promotional offers;

- (2) Proscribe the practice of offering a gift, prize, or award with the intent to sell, lease, or rent a consumer product without fully describing all the material terms of the transaction, including the price, handling, shipping, delivery, or any other fee; and
- (3) Require any offer of a prize to include:
 - (A) Information on the odds of being able to receive the prize;
 - (B) A statement that no purchase or payment is required to win a prize; and
 - (C) Instructions on how to participate in the prize promotion without purchase or payment.

Testimony supporting the measure was received from the Department of Commerce and Consumer Affairs. The Legislative Information Services of Hawaii submitted testimony supporting the intent of the bill.

Testimony indicated that the use of prizes and other give-away type offers has become an extremely popular means of promoting products and services. Many of these types of promotions have resulted in a large number of sales. Unfortunately, in many cases, the promotions have resulted in extreme disappointment to consumers as very few of the nominally valued prizes have been awarded.

Your Committees believe that requiring the disclosure of the material terms and other information of these transactions will assist consumers in making intelligent decisions regarding participation in give-away promotional offers.

After carefully considering the merits of the measure and testimonies received, your Committees have amended the bill by clarifying that give-away offers that do not clearly and conspicuously disclose all the material terms of the transaction are prohibited.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2538, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2538, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki, Saiki and Tom.

SCRep. 1511-96 Judiciary on S.B. No. 2248

The purpose of this bill is to provide procedures for the Family Court to guide it in determining child custody and visitation issues when a parent has perpetrated family violence.

Your Committee received testimony in support of this bill from representatives of the Judiciary, the Honolulu Police Department, the Hawaii Medical Association, Parents and Children Together, and Domestic Violence Clearinghouse. Representatives of the Legal Aid Society of Hawaii and the Mediation Centers of Hawaii, Inc. supported the intent of this bill but suggested that amendments be made.

This bill as received, was patterned after the Model Code on Domestic and Family Violence which was adopted by the National Council of Juvenile and Family Court Judges. However, this bill contained sections that had no comparable counterpart in the Model Code, some of which would inadvertently take away rights from the victims of family violence.

Your Committee believes that victims need to be empowered rather than having the system rigidly dictate that all victims need injunctive relief or that all victims cannot effectively participate in mediation. Victims have a voice and your Committee feels that they should be heard. Accordingly, your Committee has amended this bill by allowing victims to make choices with regard to injunctive relief and mediation, while providing safeguards to protect them and to equalize their positions of power relative to their abusers.

As provided in the Model Code, your Committee has adopted the rebuttable presumption that it is detrimental and not in the best interest of the child to be placed in the custody of a perpetrator of family violence. This is a presumption imposing the burden of producing evidence under Rule 303 of the Hawaii Rules of Evidence.

Your Committee has also provided that if a victim chooses to have a supporting person in attendance at mediation, any other party to the mediation will also be able to have a supporting person present. This is to avoid the problem of having the mediation decision overturned because one party claims there was overreaching during mediation.

Accordingly, your Committee has also amended this bill by:

- (1) Amending the definition of "family violence" to track the Model Code, and deleting the other definitions which were not in the Model Code;
- (2) Identifying that the family violence has been committed by a parent;
- (3) Adding that if the court requires a bond for the return and safety of the child, that the court consider the financial circumstances of the perpetrator;
- (4) Deleting the proposed subsection (b), dealing with mandatory injunctive relief, as an amendment to section 571-46, Hawaii Revised Statutes (HRS);

- (5) Amending section 4 by allowing mediation if the abused party wishes it, and allowing both parties to have a supporting person if the abused party requests such a person be present; and
- (6) 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 S.B. No. 2248, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2248, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hamakawa, McMurdo, Menor and Saiki.

SCRep. 1512-96 Education on S.B. No. 3004

The purpose of this bill is to allow the establishment of student-centered schools by two or more schools acting jointly.

Testimony by the Department of Education indicated that only one school has become a student-centered school, while another is in the process of converting into a student-centered school. Allowing two or more schools to act jointly may make converting to a student-centered school a more appealing and attractive alternative.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3004, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morihara, Santiago and Takamine.

SCRep. 1513-96 Finance on S.B. No. 2402

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Hawaiian Electric Company, Inc., and Maui Electric Company, Limited, to provide electric energy to the general public.

Testimony in support of this bill was submitted by Hawaiian Electric Company, Inc., and its subsidiaries; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Limited.

This bill, as received, allocates \$50,000,000 for the East Honolulu Kamoku-Pukele 138-kV Transmission Line Project (Project). Your Committee finds that this appropriation is premature at this time because it would preempt the environmental impact statement process being undertaken to review the environmental impact of various overhead and underground alternatives that are being considered to determine the best alignment for this Project.

Your Committee has amended this bill by:

- (1) Deleting the \$50,000,000 special purpose revenue bond authorization to Hawaiian Electric Company, Inc. for the Project;
- (2) Clarifying that three, rather than two, new fossil fuel generating units will be installed by Maui Electric Company, Limited, on the island of Molokai; and
- (3) Making technical, nonsubstantive amendments for purposes of 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 S.B. No. 2402, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2402, S.D. 1, H.D. 2.

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

SCRep. 1514-96 Finance on S.B. No. 2713

The purpose of this bill is to address the current depressed fiscal conditions and anticipated federal and state program restrictions, while reforming the State's welfare system by, among other things:

- (1) Changing the asset disregard in the calculation of assistance payments to applicants or recipients by increasing it from \$1,000 to \$5,000, and by including the value of one motor vehicle;
- (2) Requiring the Department of Human Services (DHS), in determining the needs of an applicant or recipient for public assistance, to disregard:
 - (a) Twenty percent of the applicant's or recipient's gross earned income, plus \$200; and
 - (b) A percentage of the remaining balance of earned income;
 to be consistent with federal law; and
- (3) Giving DHS flexibility to reduce the assistance allowance for nonexempt recipient households.

Testimony in support of this bill was received from the National Association of Social Workers, Hawaii Justice Foundation, the Hawai'i Area Office of the American Friends Service Committee, and the Committee on Welfare

Concerns. The Department of Human Services submitted testimony in support of the intent of this bill. The Legal Aid Society of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Adding a sunset date of June 30, 1998; 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 S.B. No. 2713, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2713, S.D. 2, H.D. 2.

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

SCRep. 1515-96 Finance on S.B. No. 2733

The purpose of this bill is to improve the administration of insurance premium taxes by requiring all insurers to:

- (1) Pay their premium taxes quarterly; and
- (2) File quarterly tax statements to coincide with the payment of their quarterly premium taxes.

Additionally, the bill imposes a one percent tax on gross premiums from annuity insurance contracts.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs. The American Council of Life Insurance, N.M. Inc., and State Farm Insurance Companies commented on this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2733, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2733, S.D. 1, H.D. 2.

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

SCRep. 1516-96 Finance on S.B. No. 2821

The purpose of this bill is to modify the process by which unclaimed property escheats to the State by:

- (1) Classifying the property by value and varying the required holding times dependent on this classification; -
- (2) Increasing the time the Director of Finance has to consider a claim filed by a person claiming an interest in unclaimed property;
- (3) Specifying what information must be published in an effort to locate owners of unclaimed property; and
- (4) Requiring the list of persons appearing to be owners of unclaimed property be made available to the public.

Testimony in support of this bill was received from the Department of Budget and Finance. Comments were received from the Hawaii Bankers Association, American Express Travel Related Services Company, Inc., and Citicorp Services, Inc.

Your Committee has amended this bill by:

- (1) Exempting travelers checks, money orders, and similar written instruments from the escheat process;
- (2) Amending the classification values to include all possible values; 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 S.B. No. 2821, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2821, S.D. 2, H.D. 2.

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

SCRep. 1517-96 Finance on S.B. No. 2836

The purpose of this bill is to reduce state and county contributions to the Employees' Retirement System (ERS) by:

- (1) Revising the actuarial valuations of the ERS for the years ending June 30, 1994, to June 30, 2000; and
- (2) Reducing the assumed salary increase rate for determining the actuarial valuations from 6.5 to 4 percent.

The United Public Workers and the University of Hawaii Professional Assembly submitted testimony in support of this measure. Comments were received from the Department of Budget and Finance and the ERS.

Your Committee has amended this bill by amending ERS excess earnings provisions by providing that:

- (1) State and county contributions to the Pension Accumulation Fund be reduced by earnings in excess of the eight percent investment yield rate if the five-year average of total earnings equal or exceed the investment yield rate;
- (2) Earnings shortfalls below the eight percent investment yield rate will be paid by the State and counties if the five-year average of total earnings is less than the investment yield rate; and
- (3) Beginning with actual investment earnings less than eight percent in fiscal year 1995, ninety percent of the shortfall shall be paid by the State and the counties to the credit of the Pension Accumulation Fund. In each succeeding year, the amount of any shortfall paid by the State and counties shall be reduced by another ten percent, cumulatively up to one hundred 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 S.B. No. 2836, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2836, S.D. 2, H.D. 2.

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

SCRep. 1518-96 Consumer Protection and Commerce on S.B. No. 3159

The purpose of this bill is to establish the statutory authority of state-chartered banks to:

- (1) Sell insurance and annuities;
- (2) Underwrite insurance; and
- (3) Sell and purchase securities on the order of and for the account of customers through the operations of a discount or full service brokerage.

Testimony in support of the bill was received from the Bank of Hawaii and the Hawaii Bankers Association. Testimony in opposition to the bill was submitted by the Department of Commerce and Consumer Affairs (DCCA), the Hawaii State Association of Life Underwriters, the Hawaii Independent Insurance Agents Association, the American Council of Life Insurance, and the Securities Industry Association. State Farm Insurance Companies submitted comments on the measure.

Granting Hawaii's state-chartered banks the authority to transact insurance, annuities, and securities business would enable them to compete with other financial institutions and diversified financial services companies that are presently able to offer their customers both insurance and banking products. It may also lead to increased competition in the marketplace and the greater availability of insurance statewide. However, your Committee recognizes that granting banks these expanded powers raises issues of consumer protection, fair competition, and regulatory oversight that remain unresolved by the bill in its present form.

The potential exists for consumer confusion and unfair competition when an institution's banking activities overlap with its insurance, annuities, or securities-related activities. For example, customers purchasing annuities from a bank may mistakenly believe they are purchasing an insured banking product. Additionally, banks whose banking and insurance operations are consolidated in a single facility or on the same site may enjoy an unfair competitive advantage over other sellers of insurance.

Further, there may be an overlap or conflict between the jurisdiction of the DCCA's Financial Institutions Division and that of its Insurance Division in regulatory matters involving a bank's expanded activities. Under the current bill, the laws and rules governing financial institutions would have priority over the insurance and securities laws.

Your Committee finds that the concerns discussed above are legitimate and merit further consideration in conference committee. Therefore, in the interest of keeping this measure viable so collaborative efforts to resolve these issues may continue, your Committee recommends its passage, with amendments to certain provisions, as follows:

- (1) Proposed sections 412:5-A, 412:5-B, and 412:5-C, Hawaii Revised Statutes (HRS), are amended to provide that:
 - (a) The right to engage in the activities authorized under these sections is subject to the prior written approval of the Commissioner of Financial Institutions (Commissioner) and any conditions imposed by the Commissioner; and
 - (b) Chapter 412, HRS, and the administrative rules adopted pursuant to the chapter shall control in the event of an inconsistency between chapter 412, HRS, and chapter 431 or 485, HRS.
- (2) Proposed section 412:5-B, HRS, is amended to establish that a bank's insurance-related liabilities and losses shall not be recoverable through the Hawaii Insurance Guaranty Association, the Hawaii Life and Disability Guaranty Association, or another state's insurance guaranty fund; and

- (3) Section 8 of the bill is amended to establish an effective date of June 1, 2000, for both the power of a bank to underwrite insurance and its power to sell insurance directly in the State, other than through a subsidiary or affiliate.

Technical, nonsubstantive changes have also been made to the bill for purposes of style, clarity, 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 S.B. No. 3159, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3159, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki and Tom.

SCRep. 1519-96 Consumer Protection and Commerce and Judiciary on S.B. No. 3134

The purpose of this bill is to establish and define the crime of theft of utility services.

Testimony in support of the measure was received from Kauai Electric, BHP Gas Company, the Board of Water Supply of the City and County of Honolulu, and the Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company. The Office of the Public Defender submitted comments on the bill.

Testimony indicated that theft of utility services is widespread throughout the utility industry. It occurs frequently and repeatedly, and is committed by both residential and commercial customers. As a result, utility companies often spread the loss of revenues from these thefts to all rate payers.

For the most part, theft of utility services is no different from theft of other goods or services, except in one significant respect: there are health and safety issues involved in the theft of utility services. Attempting to steal utility services such as gas and electrical energy poses a very real threat of harm, injury, or even death to innocent persons, as well as the thief.

Additionally, the current theft statutes do not sufficiently facilitate the prosecution of theft of utility services. Under current law, to present a prima facie case before the court, the Prosecutor's Office must prove that a person "intentionally diverts" utility services to the person or others. Absent an admission of guilt, this standard virtually requires the existence of an eyewitness who will testify to the crime or a videotape that captures the criminal action to establish the "intent to steal".

After carefully considering the merits of the bill and the testimonies received, your Committees have amended the measure by, among other things:

- (1) Establishing two classes of offenses for the theft of utility services;
- (2) Replacing the term "permit an inference" with "rebuttable presumption", which in some circumstances places the burden of proof with the defense;
- (3) Deleting reference to tampering as the term does not take into account the intent of the person who tampers with the equipment of the utility companies; and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3134, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3134, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Chun Oakland, Hamakawa, Hiraki, McMurdo and Tom.

SCRep. 1520-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2740

The purpose of this bill is to clarify the powers, authority, and procedures of the Office of Consumer Protection (OCP) by:

- (1) Eliminating OCP's ability to contract with certain types of nonprofit organizations to perform any of OCP's functions for the purpose of protecting consumers;
- (2) Specifying that the reimbursement for financial institutions' labor and photocopy expenses for responding to OCP subpoenas be at rates identical to those charged to the Department of the Attorney General;
- (3) Authorizing OCP employees to engage in undercover investigations;
- (4) Clarifying that the Director of Commerce and Consumer Affairs has the authority to pursue civil proceedings to enjoin violations of consumer protection statutes; and
- (5) Repealing the Consumer Advisory Council.

Testimony supporting the measure was received from OCP. The Department of the Attorney General submitted testimony supporting the purpose of the bill.

Undercover Activities

Testimony indicated that OCP's ability to conduct undercover investigations came into question as a result of an ethics opinion received from the Office of Disciplinary Counsel. In essence, the opinion stated that OCP attorneys would risk violations of the Hawaii Rules of Professional Conduct if they were to solicit or receive information that would not otherwise be forthcoming if undercover techniques were not utilized.

Undercover investigations are an integral part of consumer protection enforcement. And since there are cases that cannot be solely based upon subpoenaed information and victim testimony, your Committees believe that the use of undercover investigation techniques is a proper exercise of the State's police power to protect the public.

Therefore, your Committees would like to clarify that the amendment contained in this bill to authorize OCP employees to engage in undercover investigations does not reflect the Committees' adoption of the position set forth in the ethics opinion of the Office of Disciplinary Counsel. Your Committees believe that the existence of specific statutory authority to investigate matters in the public interest implicitly authorizes such investigations using undercover techniques.

Financial Institutions Fees

OCP testified that currently, it is charged a range of rates by financial institutions responding to investigative subpoenas. These rates range from \$15 to \$55 per hour and from \$.60 to \$2.50 per copy. Your Committees believe that there is no logical reason that OCP, a state enforcement agency, be charged more for labor and photocopying of investigative subpoena material than the Department of the Attorney General or the Department of the Prosecuting Attorney of the City and County of Honolulu.

Repeal of the Consumer Advisory Council

The role of the Consumer Advisory Council (Council) is to assist OCP and the Director of Commerce and Consumer Affairs in an advisory capacity. However, the Council has been inactive for a number of years. Moreover, OCP does not draw from a bank of individuals with technical expertise because every citizen is a consumer who can provide direct input to OCP. Your Committees believe that given the inactivity of the Council and the fact that OCP accepts suggestions from any person, it appears that the Council is no longer necessary.

After carefully considering the merits of the measure and the testimonies received, your Committees have amended the bill by:

- (1) Reinstating the ability of OCP to contract with nonprofit organizations to perform any of OCP's functions not involving the enforcement of rules for consumer protection under section 487-5, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As amended, the bill is consistent with the House position as reflected in H.B. No. 3409, H.D. 1, which passed Third Reading in the House.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2740, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2740, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Chun Oakland, Hamakawa, Hiraki, McMurdo and Tom.

SCRep. 1521-96 Consumer Protection and Commerce and Judiciary on S.B. No. 3068

The purpose of this bill is to expand the scope of the law establishing the offense of telecommunication service fraud to include fraud involving cellular telephone devices and services.

In particular, the bill:

- (1) Amends the definitions section of chapter 708, Hawaii Revised Statutes (HRS), by:
 - (a) Adding a definition for "Telecommunication service provider";
 - (b) Expanding the definition of "telecommunication service" to include the electromagnetic transmission of voice, data, image, graphics, and video, excluding cable service as defined in section 440G-3, HRS; and
 - (c) Including tumbler phones, counterfeit or clone microchips, and scanning receivers within the definition of "telecommunication service device"; and
- (2) Establishes the use of a telecommunication service device to obtain telecommunication services as telecommunication service fraud in the first degree, punishable as a Class C felony, or telecommunication service fraud in the second degree, punishable as a misdemeanor.

Testimony in support of the bill was received from Honolulu Cellular Telephone Company, Ameritech Cellular Services, and the United States Cellular Corporation.

Your Committees received testimony that cellular telephone fraud has developed into a major problem in this country, costing cellular service providers over one million dollars a day, inconveniencing customers who are required to have their phones reprogrammed, increasing costs for legitimate cellular service users, and undercutting the tax revenue base for states. Fraudulent cellular activity, because of its difficulty in being traced, has also contributed to increased drug related criminal activity. Therefore, your Committees find that it is necessary to expand the scope of telecommunication service fraud laws to include illegal activity involving cellular telephone devices and technologies.

Your Committees have amended the bill by:

- (1) Deleting "reason to believe" as a state of mind establishing culpability under section 708-8202, HRS, because it is not recognized as a state of mind that establishes penal liability under the Penal Code;
- (2) Clarifying that the use of a telecommunication service device is illegal if it is done without obtaining the consent of the holder or service provider, to exclude from the statute's prohibition the consensual use of a device;
- (3) Retaining the provision that forfeiture of telecommunication and cable television service devices under section 708-8204, HRS, is subject to the requirements of chapter 712A; and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3068, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3068, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki, McMurdo and Thielen.

SCRep. 1522-96 Consumer Protection and Commerce and Judiciary on S.B. No. 3266

The purpose of this bill is to clarify the mandatory seller disclosure requirements for real estate transactions under chapter 508D, Hawaii Revised Statutes (HRS).

Generally, the bill clarifies definitions, the types of transactions exempt from the chapter, rescission requirements, disclosure requirements for absentee owners and sellers' agents, good faith and due care requirements for preparation of disclosure statements, and requirements related to amended disclosure statements.

The bill also amends the remedies provisions of the chapter by:

- (1) Eliminating a seller's liability for treble damages for a wilful violation of the chapter or negligence;
- (2) Requiring alternative dispute resolution prior to litigation only when established as a requirement in the real estate purchase contract; and
- (3) Repealing the civil penalty provision.

The Real Estate Commission, the Hawaii Association of Realtors, and the Real Property and Financial Services Section of the Hawaii Bar Association testified in support of the bill.

Full and accurate disclosure of material facts relating to real property being offered for sale is critical to a successful real estate transaction. The clarifications provided by this measure will facilitate compliance with the disclosure requirements by buyers, sellers, and their agents.

Based upon a recommendation by the Hawaii Association of Realtors, your Committees have amended the bill by adding a provision to section 508D-13, HRS, establishing that an amended disclosure statement shall be provided to the buyer no later than twelve noon of the last business day prior to the recorded sale of the residential real property.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3266, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3266, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki, McMurdo and Thielen.

SCRep. 1523-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2280

The purpose of this bill is to reduce minors' access to tobacco products by:

- (1) Prohibiting the sale of cigarettes from lunch wagons within one thousand feet of any public or private secondary school; and
- (2) Subjecting to forfeiture, lunch wagons that violate the aforementioned prohibition.

Testimony supporting the measure was received from the Department of Health, the Hawaii Medical Association, the American Lung Association of Hawaii, the American Cancer Society Hawaii Pacific Division, the American Heart Association-Hawaii Affiliate, and two concerned individuals. The Police Department of the City and County of Honolulu submitted testimony supporting the intent of the measure. The Department of Finance of the City and County of Honolulu testified that it did not support the bill. The Hawaii Food Industry Association testified that it had no objections to the bill. Testimony opposing the measure was received from Beniya Shokudo Catering.

Testimony indicated that cigarette smoking among American youth is now on the rise after a period of steady decline. According to data from the Department of Education, youth smoking rates are high and are increasing significantly. In 1980, only twenty-two percent of Hawaii's high school seniors were regular smokers. Today, our state has a higher percentage of high school seniors who reported being regular smokers (over twenty-nine percent), than adults (less than twenty percent).

The Department of Health (DOH) testified that school administrators and parents have long complained to DOH that "manapua wagons" have been a troublesome source of the illegal sale of cigarettes to minors. Many of these mobile vendors often maintain their focus of business around schools, parks, and neighborhoods at times when large groups of unsupervised youth congregate.

Your Committees find that because of their mobile nature, and the fact that they are not presently licensed or regulated, monitoring the sale of tobacco products by mobile vendors is extremely difficult.

Your Committees believe that this bill will reduce minors' access to tobacco products.

After carefully considering the merits of the measure and the testimony received, your Committees have amended the bill by:

- (1) Expanding the prohibition to sell cigarettes from lunch wagons within one thousand feet of any public or private secondary schools, to include elementary schools;
- (2) Clarifying the prohibition area as the area within one thousand feet of the school grounds;
- (3) Prohibiting the distribution of cigarettes at no charge from lunch wagons within one thousand feet of any public or private elementary or secondary schools;
- (4) Deleting the forfeiture provision for violations of the above mentioned prohibitions; and
- (5) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2280, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2280, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 1524-96 Consumer Protection and Commerce on S.B. No. 2962

The purpose of this bill is to eliminate unnecessary and duplicative county business licensing requirements by repealing statutes that provide for the county licensing of:

- (1) Driver training schools and driving instructors;
- (2) Food products;
- (3) Restaurants;
- (4) Solicitors; and
- (5) Vehicles and drivers for hire.

Testimony in favor of the measure was received from the Department of Finance (Department) of the City and County of Honolulu.

Driver Training Schools and Driving Instructors

The Department testified that the county's issuance of business licenses to driver training schools and driving instructors may give the public the erroneous impression that the county has established standards that these schools and instructors are required to meet to teach driver education.

Prior to 1983, both the driver training schools and driving instructors were qualified by the Department of Education. However, this qualification requirement was repealed by Act 236, Session Laws of Hawaii 1983. Therefore, the county is licensing driver training schools and driving instructors who may not be qualified to instruct.

Food Products and Restaurants

Both the Department of Agriculture and the Department of Health have regulations and statutory authority regarding the sanitation and classification of food processing and manufacturing businesses, and restaurants. Because the purpose of regulation of these activities is to protect the public's health and safety as it relates to food products, your Committee believes that requiring these businesses to obtain a county business license in addition to certificates from these state agencies is an unnecessary governmental restriction on business.

Solicitors

The Department testified that the City and County of Honolulu has not issued a solicitor business license for at least ten years. Since solicitation of insurance, mortgage brokers, funds from the public, and business of taking orders, are already covered by statute, county regulation is unnecessary.

Vehicles and Drivers for Hire

Regulation of the majority of motor vehicles used for the transportation of passengers or freight is governed by the Public Utilities Commission (PUC). Therefore, your Committee feels that requiring county business license in addition to the PUC license is an unnecessary governmental regulation.

Because of these reasons, your Committee concurs with the purpose of this measure.

Your Committee has made technical, nonsubstantive amendments for purposes of style, clarity, 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 S.B. No. 2962, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2962, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tom.

SCRep. 1525-96 Judiciary on S.B. No. 3171

The purpose of this bill, as received by your Committee, was to clarify the duties of court reporters and to make their notes the property of the State.

Your Committee received testimony in support of this bill from representatives of the Department of the Attorney General, the Judiciary, the Office of the Public Defender, the Hawaii State Bar Association, the Hawaii Bar Journal, Hilo Reporters, and Hawaii Island Court Reporting, Inc.

Your Committee finds that there is a need for legislation to prohibit contracting between private court reporters and clients other than on a case-by-case basis. If a freelance court reporter were to be financially associated on a long-term basis with a particular client, there would be an appearance of impropriety and the reporter's independence may be called into question. In order to preserve the reputation of the profession, your Committee believes that contracting should only occur on a case-by-case basis.

In addition, your Committee finds that permitting the Hawaii Supreme Court to promulgate rules relating to the fees that official court reporters may charge for transcripts will provide needed flexibility.

Your Committee also finds that some of the current statutes relating to court reporters in chapter 606, Hawaii Revised Statutes (HRS), are outdated and inconsistent in terminology.

Accordingly, your Committee has amended this bill by:

- (1) Adding a new section prohibiting contracts between private court reporters and clients except on a case-by-case basis;
- (2) Adding a new section defining "certified shorthand reporter," "official court reporter," and "private court reporter";
- (3) Amending section 606-13, HRS, to give the Supreme Court of Hawaii the responsibility of setting the fees that official court reporters may charge for transcripts;
- (4) Repealing sections 606-9, 606-10, and 606-11, HRS, since they are no longer necessary;
- (5) Clarifying references to reporters and court reporters in the statutes to reflect that they relate to official court reporters employed by the Judiciary where appropriate; and
- (6) Changing the effective date of this bill to July 1, 1996, to allow the Hawaii Supreme Court sufficient time to promulgate rules relating to the fees that official court reporters may charge for transcripts.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3171, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawanakao.

SCRep. 1526-96 Judiciary on S.B. No. 2993

The purpose of this bill is to establish an inexpensive, fair, and simple system of probate administration.

Your Committee received testimony in support of the measure from representatives of the Committee on Uniform Probate Code and Probate Court Practices and the Hawaii Commission to Promulgate Uniform Legislation as well as from several private citizens.

Your Committee finds that probate laws should not require parties to appear before the court for probate matters unless there is a controversy or dispute.

Your Committee further believes that the simplified and uniform probate system as found in the most recent version of the Model Uniform Probate Code is an excellent model upon which to base Hawaii law.

Your Committee finds that the provision in this measure which provided for an eighteen month period within which creditors must file their claims or be barred if there has been no published notice should be changed to reflect the one year time limit in the Model Uniform Probate Code. Your Committee believes that this change will speed up the finalization of estates without undue prejudice to creditors.

Your Committee has amended the measure by:

- (1) Changing the eighteen month period in section 560:3-803(a)(2) to one year;
- (2) Deleting the provisions of section 560:8-103(b)(6) as unnecessary;
- (3) Changing the reference to \$10,000 in §560:3-1211 to \$60,000 thereby changing the fee for processing small estates;
- (4) Changing the reference to \$20,000 in section 560:3-1212 to \$60,000;
- (5) Changing the references to \$1,000 in section 560:3-1212 to \$2,500;
- (6) Inserting a new section 8 that repeals §531-34, Hawaii Revised Statutes;
- (7) Changing section 560:2-707(b) so that the rule providing that future interests under trusts are contingent upon the beneficiary surviving the distribution date applies only to trusts executed after the effective date of the section;
- (8) Rewording section 560:1-302 to conform to the language of section 560:5-102; and
- (9) Making numerous 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 S.B. No. 2993, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2993, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives White, Hamakawa, Menor and Saiki.

SCRep. 1527-96 Judiciary and Consumer Protection and Commerce on S.B. No. 2101

The purpose of this bill, as received by your Committees, is to authorize the establishment of a system to suspend a person's professional and vocational licenses for failure to comply with court or administrative orders of child support that are more than ninety days in arrears.

Testimony in support of this measure was received by your Committees from representatives of the Attorney General's Office, the Department of Taxation, the Department of Commerce and Consumer Affairs, Domestic Violence Clearinghouse, Legal Aid Society of Hawaii, Hawaii Lawyers Care, the Department of Finance of the City and County of Honolulu, and a concerned citizen.

Your Committees find that it is essential to be serious about convincing deadbeat parents that they must pay court-ordered child support, and the best way to do this is to have a bill which affects as many of these individuals as possible.

A vast majority of the adults in this State possess a driver's license. Your Committees believe that to have a maximum effect as quickly as possible without disrupting the ability of people to earn a living in order to pay child support, the preferred course would be to first target driver's licenses.

It is the belief of your Committees that most everyone who realizes that their driver's license is going to be suspended will be motivated to cooperate and start paying their child support.

Your Committees find that a person who drives while their license is suspended for failure to pay child support should be treated in the same manner as a drunk driver who continues to drive, by an increasing jail sentence for each offense.

Your Committees are of the opinion that the right to drive on Hawaii's roads should be targeted first. If the individual doesn't have a driver's license or fails to comply with the child support order within thirty days after license suspension, the measure allows the Child Support Enforcement Agency to revoke any professional or vocational licenses.

This two-tiered approach is preferred by your Committees in order to convey to the defaulting parent the serious concern of the State about collection of child support payments. Through this scheme an incentive and learning process is created for the parent to become current before progressively severe consequences result.

Your Committees also find that child support is decided upon by both the hearings officers appointed by the Attorney General's Office and the Family Court as there is concurrent jurisdiction in these matters. If the Court enters an order it should also apply in license revocation cases. As the Child Support Enforcement Agency processes the license revocations, the system remains an administrative one unless the family court modifies the child support order or finds that the parent is in compliance with the child support order.

Your Committees have amended this measure by modifying the bill as follows:

- (1) Adding provisions for the suspension and restriction of driver's licenses for the failure to pay child support as the first penalty for being over ninety days in arrears;
- (2) Revising the provisions to set a second tier of penalties to take effect in thirty days from the driver's license suspension if the parent is still not in compliance in order to suspend professional and vocational licenses of the obligor;
- (3) Creating criminal provisions for driving while a person's driver's license is suspended for failure to pay child support which includes a mandatory jail sentence and progressively higher penalties for additional offenses; and
- (4) Inclusion of the family court in the total license forfeiture scheme as there is concurrent jurisdiction in child support matters.

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 S.B. No. 2101, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2101, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Kawanakoa and Thielen.

SCRep. 1528-96 Consumer Protection and Commerce, Judiciary, and Finance on S.B. No. 2001

The purpose of this bill is to move the State toward a "pure" no-fault system of insurance for motor vehicles and motorcycles by abolishing the right in most cases, to sue for personal injuries sustained in motor vehicle or motorcycle accidents.

Specifically, the bill would, among other things:

- (1) Repeal the requirement that motorists carry bodily injury (BI) liability coverage as part of their motor vehicle insurance policy;
- (2) Increase the required no-fault coverage, also known as personal injury protection (PIP), to a minimum of \$250,000, up to a maximum of \$1,000,000;
- (3) Make wage loss benefits, currently required as part of the mandatory no-fault benefits, an optional coverage;
- (4) Require insurers who offer insurance policies that cover motor vehicles, motorcycles, or motor scooters, to also offer optional pain and suffering first-party insurance; and
- (5) Allow insurers to offer optional coverage through health maintenance organizations or preferred provider organizations.

Your Committees received voluminous testimony regarding this bill. The following is a list of some of the testimony received:

- (1) Testimony supporting the measure was received from State Farm Insurance Companies, the Hawaii Insurers Council, the Grove Farm Company, and the Chamber of Commerce of Hawaii;
- (2) The Hawaii Independent Insurance Agents Association supported the intent of the bill;
- (3) Testimony opposing the measure was received from the Good Drivers' Coalition, the Hawaii State Chiropractic Association, the Consumer Lawyers of Hawaii, the Hawaii Women Lawyers, Advocates for Consumer Rights, Life of the Land, the Democratic Party of Hawaii, and numerous concerned individuals, many of whom preferred the position taken by the House in H.B. No. 3391, H.D. 1; and
- (4) The Department of Commerce and Consumer Affairs testified that, as drafted, the bill does not produce the significant rate relief Hawaii's drivers need.

The cost of motor vehicle insurance in the State is prohibitively high. According to some reports, Hawaii has consistently been ranked at the top of all states in premium rates for motor vehicle insurance. In fact, some reports indicate that Hawaii has the second highest motor vehicle insurance premiums in the country.

Your Committees find that continuing attempts to modify the no-fault system have resulted in unacceptable limitations and additional bureaucracy which undermine the purpose for its very existence. As a result, the trend nationwide has been the repeal of no-fault insurance in many states that originally adopted no-fault. Thus, many of these states have had a positive rate experience.

Before passing any motor vehicle insurance reform measure, your Committees believe that the reforms must provide consumers with meaningful premium relief. However, although the bill projects as much as a forty percent direct cost savings to consumers, the bill does not mandate any rate relief for consumers. Additionally, the Insurance Commissioner stated that after actuarially calculating the effects of the bill as drafted, the State's actuary determined that the bill would save the average driver ten percent or less, and not the projected forty percent. Therefore, your Committees believe that this measure will not adequately achieve its intended purpose of providing meaningful rate relief to consumers.

After carefully considering the merits of the measure and the voluminous testimonies received, your Committees have amended the bill by deleting its substance and inserting the substance of H.B. No. 3391, H.D. 1, which passed Third Reading in the House, with some technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As amended, the bill proposes major reforms to Hawaii's motor vehicle insurance system by attacking the major cost drivers that contribute to the high cost of motor vehicle insurance.

Specifically, the bill among other things:

- (1) Requires a twenty-five to thirty-five percent rate reduction;
- (2) Implements a preferred repair provider program for repair of damaged motor vehicles to reduce physical damage expenses in property damage, collision, and comprehensive coverages;
- (3) Allows the use of like kind and quality after-market parts to reduce physical damage expenses for property damage, collision, and comprehensive coverages;
- (4) Strengthens laws relating to motor vehicle theft and use of stolen parts to reduce motor vehicle insurance losses;
- (5) Eliminates the medical-rehabilitative threshold which is a major cost driver for both medical expenses and BI liability coverages;
- (6) Repeals the peer review organization system, which has become expensive and time consuming, and has resulted in litigation between insureds and their insurance companies;
- (7) Prohibits attorneys, health care providers, and suppliers of goods and services from committing unfair or deceptive acts;
- (8) Allows the Supreme Court to regulate the competence of attorneys representing injured victims or defendants in personal injury actions arising out of motor vehicle accidents;
- (9) Provides consumers a choice in selecting medical and disability benefit options;
- (10) Requires that medical payments benefits be used within one year;
- (11) Allows group insurance plans to allow group purchasing of motor vehicle insurance at lower premiums;
- (12) Strengthens the Insurance Commissioner's power to regulate rates;
- (13) Requires fraud investigation and prosecution;
- (14) Provides amnesty for uninsured motorists who have not been able to purchase insurance because of financial inability, rather than poor driving record; and
- (15) Provides for alternative legal penalties against the poor who may be unable to afford motor vehicle insurance due to temporary financial hardship, rather than poor driving record.

In making these amendments to the bill, your Committees have proposed major reforms to Hawaii's motor vehicle insurance system. Basically, as amended, the bill repeals the State's no-fault system of motor vehicle insurance.

As a result of these major reforms, consumers will realize real and meaningful savings as the bill not only promises the potential for savings, but also imposes a mandatory twenty-five to thirty-five percent rate reduction. Additionally, the Insurance Commissioner stated that after actuarially calculating the effects of these reforms, the State's actuary determined that consumers would realize an average of 28.3 percent savings. Therefore, the mandated rate reduction can be actuarially justified.

Your Committees feel that the approach contained in this bill represents a balance between the rights of those who sustain legitimate injuries to hold the responsible party liable, with the need to reduce the cost of motor vehicle insurance premiums.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce, Judiciary, and Finance that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2001, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2001, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Chang, Chun Oakland, Kahikina and Kanoho.

SCRep. 1529-96 Consumer Protection and Commerce on S.B. No. 2724

The purpose of this bill is to permit interstate branching in Hawaii effective June 1, 1997. More specifically, the bill:

- (1) Authorizes Hawaii state banks to establish and operate interstate branches by merger, acquisition, or de novo;
- (2) Authorizes out-of-state banks to establish and operate branches in Hawaii by merger, acquisition, or de novo, subject to restrictions;
- (3) Authorizes banking activities and operations of direct branch, agency, and representative offices in Hawaii by foreign country banks, generally under terms and conditions no less favorable than those applicable to comparable, federally-licensed branches and offices of foreign banks in the United States; and
- (4) Establishes a statutory framework for the licensing, regulation, and supervision of interstate branches and offices.

Testimony in support of the measure was received from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs, First Hawaiian Bank, Bank of Hawaii, and Hawaii National Bank. Testimony in opposition to the bill was received from the Bank of Honolulu.

Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, interstate banking is currently mandated across the nation. Interstate banking allows out-of-state bank holding companies to acquire banks in other states.

The Federal Act also authorized the states to permit interstate branching by national banks effective June 1, 1997. Under interstate branching, state-chartered banks are allowed to branch into and out of the State, acquiring branches through acquisition, merger, or by establishing a new branch (de novo). The branches serve as offices of the parent bank and share its management and board of directors. The law also permits foreign banks to branch to the same extent as U.S. domestic banks, and prohibits discriminatory treatment of foreign banks under state laws. The Federal Act gives states the choices of opting into interstate branching effective June 1, 1997, opting in early, or opting out. As of March 15, 1996, twenty-six states and Puerto Rico have opted-in with various restrictions. Texas is the only state that has opted-out.

Permitting interstate branching in the State would open up competition within the industry and benefit consumers by offering them a variety of choices. It would also enable Hawaii's state-chartered banks to engage in interstate operations on a comparable basis with national banks.

Currently, the bill establishes restrictions pertaining to the establishment and operation of Hawaii bank branches by out-of-state banks for an unspecified period of time. Your Committee has amended the bill to specify that these restrictions shall be in effect from June 1, 1997 through May 31, 2000.

The bill has also been amended by:

- (1) Adding to proposed sections 412- 208(b)(1) and 412- 211, language to conform these sections to an amendment to the International Banking Act of 1978, clarifying the right of banks organized under the laws of any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands, to engage in domestic retail taking; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, 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 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 placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki and Swain.

SCRep. 1530-96 Consumer Protection and Commerce on S.B. No. 2491

The purpose of this bill is to allow the Insurance Commissioner to issue limited credit insurance licenses to persons who sell credit life, credit accident and health, credit involuntary unemployment, and credit property insurance. Issuance of a license is subject to the applicant's successful passing of a precensing examination.

Testimony in support of the measure was received from the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA), and the Hawaii Financial Services Association, Inc.

Your Committee finds a nexus between this matter and the enabling of Hawaii's insurance agents and brokers to more freely engage in business in other states. Currently, insurance laws vary from state to state. In Hawaii, nonresident agents and brokers must comply with the law that places limitations on their activities with respect to placing insurance on a subject of insurance located within the State. Because of their restrictive nature, these limitations virtually prevent nonresidents from engaging in business in Hawaii. Consequently, under the reciprocity agreements between states, Hawaii's insurance agents and brokers are similarly restricted in engaging in business in other states where they are nonresidents.

Accordingly, upon further consideration, your Committee has amended this bill by deleting the substance, and inserting therefor, the substance of H.B. No. 3711. Your Committee notes that H.B. No. 3711 was reported out of your Committee and passed Third Reading in the House earlier this session.

Your Committee finds that these amendments would significantly remove the limitations on nonresident agents and brokers transacting business in Hawaii. The resulting application of reciprocal agreements would thereby make it easier for Hawaii's agents to engage in business in other states.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2491, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tom.

SCRep. 1531-96 Finance on S.B. No. 2088

The purpose of this bill is to boost the economy and recognize Hawaii businesses that comply with state lax laws. Specifically, this bill amends the law relating to the preferential treatment of Hawaii contractors who bid on state public works projects by:

- (1) Requiring a contractor, bidding on a public works contract that is \$5,000,000 or less, to file and pay state taxes for four, instead of two, successive years;
- (2) Requiring a contractor, bidding on a public works contract in excess of \$5,000,000, to file and pay state taxes for eight, instead of four, successive years; and
- (3) Increasing the bid differential for the preference from 5 to 15 percent.

Supportive testimony was received from the Hawaii Building and Construction Trades Council, the Hawaii Operating Engineers Industry Stabilization Fund, and the Construction Industry Legislative Organization, Inc. The Department of Accounting and General Services submitted testimony supporting the intent of this bill. Comments were received from the Department of Taxation and the State Attorney General.

Your Committee has amended this bill by:

- (1) Deleting the provision increasing the bid preference differential to 15 percent; and
- (2) 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 S.B. No. 2088, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2088, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1532-96 Finance on S.B. No. 2333

The purpose of this bill is to transfer responsibility for purchase of service contracts under chapter 42D, Hawaii Revised Statutes (HRS), to the State Procurement Office effective July 1, 1998.

The State Procurement Office submitted testimony in support of the intent of the bill. Comments were submitted by the Department of Human Services, the Hemophilia Foundation of Hawaii, and the Waikiki Health Center.

Your Committee has amended the bill by deleting its substance and inserting the language reflected in H.B. No. 4111, H.D. 1, which relates to the transfer of the administration of purchases of services from chapter 42D, HRS, to the Hawaii Public Procurement Code (chapter 103D, HRS). As amended, this bill:

- (1) Repeals the advisory council and the executive coordinating council;
- (2) Provides for multi-year contracts of up to four years;
- (3) Provides for a transition plan to facilitate the transfer of the administration of the purchase of service system;
- (4) Establishes advisory councils to make recommendations on types of services and service delivery for purchases of service;
- (5) Establishes a policy group to monitor and facilitate the implementation of the transition plan; and
- (6) Adds an unspecified appropriation for various expenses related to the transfer.

As affirmed by the record of votes of 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. 2333, S.D. 1, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 2333, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1533-96 Finance on S.B. No. 2819

The purpose of this bill is to:

- (1) Transfer \$8,000,000 from the Rental Assistance Revolving Fund to the general fund on July 1, 1996;
- (2) Appropriate moneys for infrastructure for a sustainable Community Development Plan to assist in the revitalization of Waialua, Hawaii; and
- (3) Appropriate moneys for the Vocational Technical Agricultural Educational Farm Workstudy Program under the Department of Education.

Submitting comments on the bill were the Department of Budget and Finance, the Department of Education, the National Organization of Agricultural Education Students, the Leilehua Agriculture Learning Center, and six individuals.

Your Committee has amended the bill by:

- (1) Deleting the appropriations for infrastructure for a sustainable Community Development Plan for Waialua, Hawaii, and the Vocational Technical Agricultural Education Farm Workstudy Program;
- (2) Adding transfers to the general fund of certain excess amounts from the Agriculture Loan Revolving Fund, the Aquaculture Loan Revolving Fund, the University Parking Revolving Fund, and the State Highway Fund; and
- (3) Adding a reimbursement from the Highway Special Fund to the general fund for prior claims against the State attributable to programs funded by the Highway Special 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 S.B. No. 2819, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2819, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1534-96 Consumer Protection and Commerce on S.B. No. 2405

The purpose of this bill is to promote the development and use of small scale renewable energy sources by requiring electric utilities to develop and enter into power purchase agreements with residential utility customers operating solar or wind-powered electric energy generators.

The following agencies and organizations testified in support of the intent of the measure and offered comments or proposed amendments to the bill: the Department of Business, Economic Development, and Tourism (DBEDT), the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the Hawaii Renewable Energy Alliance, and Inter-Island Solar Supply. Testimony in opposition to the bill was received from Kauai Electric, and Hawaiian Electric Company, Inc., and its subsidiaries, Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd.

This bill authorizes electric utilities and their residential customers to enter into power purchase agreements, under which a customer-operated generator powered by solar or wind energy produces electricity that offsets part or all of a customer's electricity requirements. A dual metering system measures the electricity supplied by the utility, and the electricity supplied by the customer and fed back to the utility. The customer pays for net energy provided by the utility at the retail rate, and receives a credit for net energy it supplies to the utility at an "avoided cost" rate, or approximately one-third of the retail rate. The potential benefits offered by this bill include utility cost savings for eligible customer-generators and avoided or deferred construction and upgrade expenses for electric utilities.

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

- (1) Expanding the definition of "eligible customer-generator" to include customers who own and operate small scale residential hydroelectric systems; and
- (2) 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 Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2405, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2405, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tom.

SCRep. 1535-96 Energy and Environmental Protection on S.B. No. 1305

The purpose of this bill is to provide the Director of Health with the authority to issue an emergency order without the Governor's approval when imminent peril to public health and safety is or will be caused by the release or discharge of environmental pollutants.

This particular Senate bill was a companion to a House measure that was subsequently adopted by both Houses of the Legislature and signed into law by the Governor last year. Your Committee intends that this bill be used as a vehicle to provide the Department of Transportation with the necessary authority to set its own specifications on the use of glassphalt in the construction or improvement of public roadways in the State.

Section 103D-407, Hawaii Revised Statutes, was adopted by the 1994 Legislature as part of Act 201. The Legislature was concerned about possible departmental reluctance to incorporate recyclable materials, such as glass, into public works projects, such as roadways, as a means of helping to alleviate the need for disposal of such materials either through landfilling or incineration. While the action taken by the 1994 Legislature was commendable, it has become apparent to your Committee that the inclusion in statute of such specifications as the size of glass particles to be used in roadways has the potential to hamstring the department's efforts in implementing the provisions set forth in the section previously cited. In effect, the department would have to return and petition the Legislature every time for a change in the statute should technology require changes in the specifications. While it was the intention of the 1994 Legislature to compel the department to incorporate the use of recyclable materials whenever possible, it is your Committee's opinion that it should not be the intention of this, or any future, Legislature to become involved in decisions that quite properly belong within the purview of the department; to do otherwise would amount to micromanagement.

Accordingly, your Committee has amended S.B. No. 1305 by deleting the text of the measure and substituting in its place language amending Subsection (b) of Sec. 103D-407, Hawaii Revised Statutes, that will allow Department of Transportation to set its own specifications on the use of glassphalt in public roadways.

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. 1305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1305, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho, Santiago, Takamine and Tarnas.

SCRep. 1536-96 Judiciary on S.B. No. 2295

The purpose of the bill, as received by your Committee, was to implement certain amendments to the Penal Code which were proposed by the Committee to Conduct a Comprehensive Review of the Hawaii Penal Code (Review Committee).

Testimony in support of the measure but urging your Committee to amend the measure to more closely reflect the contents of H.B. No. 182, H.D. 1, which adopted substantially more of the recommendations of the Review Committee, was received by your Committee from representatives of the Hawaii Paroling Authority, the Department of Public Safety, and the Office of the Public Defender.

Your Committee finds that the measure before the Committee is a severely truncated version of the amendments proposed by the Review Committee.

Your Committee finds that the recommendations of the Review Committee established pursuant to Act 284, Session Laws of Hawaii 1993, were contained in H.B. No. 182 which was introduced in the 1995 legislative session.

Your Committee finds that replacing the contents of the bill before your Committee with the contents of H.B. No. 182, H.D. 1, will result in an internally consistent, fair, just, and effective Penal Code.

To the extent that the amendments proposed by the Review Committee are not modified by your Committee, your Committee has adopted the proposals and the rationale for such recommendations as set out in the "Final Report of the Committee to Conduct Comprehensive Review of the Hawaii Penal Code" submitted to the Eighteenth Legislature of the State of Hawaii on December 28, 1994.

Your Committee expresses its deep appreciation to the members of the Review Committee, its chair, and its reporter for the many excellent recommendations which have been adopted by your Committee, including proposals to clarify and simplify procedures when a defendant invokes the insanity defense, raising manslaughter to a Class A felony, simplifying the description of the murder offenses, and making lack of knowledge of age an affirmative defense as it relates to certain sex offenses, together with numerous other substantive and technical changes to the Penal Code.

Your Committee finds, however, that certain of the Review Committee's recommendations should be revised, as was done in H.B. No. 182, H.D. 1.

Your Committee is of the opinion that reducing the maximum penalty associated with the crime of "abuse of family and household members", while adding a new crime of assault in the fourth degree, carries the danger that certain individuals will not be sentenced appropriately. Section 709-906, Hawaii Revised Statutes, is a very broadly worded statute which encompasses a wide range of conduct. Your Committee believes, therefore, that the Court should retain the discretion to sentence certain individuals who commit that offense to a full year in jail.

Your Committee also was of the opinion that following an acquittal by reason of insanity, the application for conditional release should be extended from 90 days following commitment to 120 days.

Your Committee was concerned with the Review Committee's proposed addition to the repeat offender statute of language which suggested that the mandatory minimums were not to be imposed in the usual case. Your Committee has,

therefore, eliminated the "not to exceed" language which appears in the section on mandatory minimums. In place thereof, and in recognition of the problem that the current law is so restrictive that it inhibits the efforts of the prosecutor to reach a plea bargain when the prosecutor deems the bargain to be in the interest of public safety, your Committee believes that the measure should allow the sentencing court to reduce the mandatory minimum when the Court finds that doing so is in the interest of public safety. This, for example, may occur when the public safety is better served by lessening the mandatory minimum so that a guilty plea will be obtained and a defendant imprisoned, as opposed to failing to secure a plea and running the risk that the accused will not be convicted at trial.

Your Committee wishes to emphasize that "the interests of public safety" as used in this measure does not refer to the Public Safety Department, and emphatically does not refer to any conditions of prison overcrowding. Rather, it refers to the safety of the public.

Your Committee believes that it is appropriate to deviate from the Review Committee's proposals by deleting Class A felonies from the list of crimes where the Court could dismiss a prosecution and commit the defendant to the hospital.

Your Committee finds that the proposal to permit probation for all Class A felonies should not be extended to the crimes of Sexual Assault in the First Degree and Promoting Child Abuse in the First Degree. Your Committee does not believe, given the conduct which these crimes entail, that probation would ever be an appropriate sentence.

Your Committee does find that there could be certain rare and unusual circumstances which might arise where a term of probation may be appropriate in the remaining Class A felonies for which probation is not presently an option.

Yet your Committee is concerned that even a single inappropriate sentence in such a case could undermine public confidence in both the Judiciary and the criminal justice system. In order to ensure that this discretion is not unfettered, your Committee believes that the law should require the written approval of a second judge before a term of probation could be imposed in such cases.

Your Committee also finds that good, solid policy reasons exist to continue the special protection afforded the elderly, children, and the handicapped in the Penal Code. Your Committee believes that the application of the section should be similar to that of the repeat offender section, i.e., providing for the possibility of a reduction when to do so is in the interests of public safety or there are strong mitigating circumstances.

Your Committee wishes to emphasize that the phrase "strong mitigating circumstances" is intended to reflect the Legislature's belief that the mere presence of mitigating circumstances is not sufficient for the sentencing court to deviate from the policy expressed in this section. The mitigating circumstances must be strong, i.e., they must be of such a nature that in light of those circumstances, a sentence which fully implemented the punishments contained in that section would severely trouble a fair-minded person.

Your Committee has amended this measure by substituting the contents of H.B. No. 182, H.D. 1, for the contents of this bill and further modifying the measure by:

- (1) Retaining current statutory language with respect to enhanced sentencing for murders which are especially heinous, atrocious, or cruel, manifesting exceptional depravity;
- (2) Deleting changes to section 706-662 which deals with criteria for extended terms of imprisonment, as the section has already been modified by another measure;
- (3) Revising the provisions relating to manslaughter to clarify the meaning of the statute;
- (4) Adding a provision related to interference with the operation of a bus or taxi; and
- (5) Changing the effective date to January 1, 1997.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2295, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2295, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Menor and Saiki.

SCRep. 1537-96 Finance on S.B. No. 2160

The purpose of this bill is to provide supplemental appropriations for the executive branch by amending the General Appropriations Act of 1995 (Act 218, Session Laws of Hawaii 1995).

Senate Bill No. 2160 is the unamended version of the 1996 supplemental budget bill that was submitted by the Governor for the executive branch in January 1996. Your Committee spent countless hours conducting budget hearings, receiving written and oral testimony, making follow-up inquiries, and evaluating public and private requests in order to pass this body's version of the supplemental budget bill. House Bill No. 2800, H.D. 1, proposed a responsible budget and balanced financial plan using the best and most current information available to your Committee, including some untimely requests from the Governor.

Prior to the finalization of this body's recommendations for H.B. No. 2800, H.D. 1, your Committee received the first request from the Governor to amend the supplemental budget bill--the request being submitted on February 2, 1996, only one week before the decking of that bill. Your Committee even received a request from the Governor to amend the supplemental budget bill on March 8, 1996, the very day this body passed H.B. No. 2800, H.D. 1. Since this body's

passage of H.B. No. 2800, H.D. 1, your Committee has received three additional requests from the Governor to amend the supplemental budget bill--the third request being submitted on March 26, 1996, only eight days ago.

Your Committee's efforts to develop a responsible budget and balanced financial plan during this session and the previous session have been frustrated by untimely requests from this Governor to amend the budget bill. Because the Legislature meets for only sixty days each year and because the budget bill is such a complex document, your Committee has very little time--in comparison to the Governor and the Senate Committee on Ways and Means--to thoroughly review new requests and properly incorporate them into the budget bill, even when they are submitted by the Governor in a timely manner, before the budget bill is transmitted to the Senate.

Despite the appearance that this administration lacks coordination, planning, and communication, your Committee realizes that the State's \$200,000,000 budget shortage, coupled with the slowdown in the growth of the islands' economy and impending cuts in federal financial aid by Congress, has made it very difficult for the Governor and his advisors to develop a responsible budget and balanced financial plan. In addition, your Committee realizes that some of the information that generated some of the requests from the Governor to amend the supplemental budget bill were not previously available to either the administration or the Legislature.

Because of the unexpected passage of Senate Bill No. 2160--that body's version of the supplemental budget bill--your Committee finds itself in the unprecedented position of being able to formally review and respond to the six requests from the Governor to amend the supplemental budget bill at the same time that the Senate amends House Bill No. 2800, H.D. 1. The Senate bill also gives your Committee the opportunity to revise previous recommendations and develop new recommendations based on information not previously available to it or the administration. Your Committee is particularly grateful for the opportunity to review and respond to the proposed reorganization of the Governor's office, which was presented to the Committee on April 1, 1996.

According to Attorney General Opinion No. 96-1, dated February 16, 1996, Article V, section 6 of the Constitution of the State of Hawaii requires that state executive branch agencies be placed within the principal departments of the executive branch of state government unless they are commissions or agencies that are both temporary and for special purposes. The Office of the Governor is not a principal department of the executive branch of state government. Therefore, any agency that is not temporary and for special purposes cannot be validly placed within the Office of the Governor. Seven executive branch agencies, including the Office of State Planning, are presently placed within the Office of the Governor.

According to the Governor's proposed reorganization plan:

- (1) The Office of Statewide Volunteer Services, the Office of Information, and the policy functions of the Office of State Planning and Office of Children and Youth would be folded into the Office of the Governor;
- (2) The Office of Collective Bargaining would be attached to the Department of Human Resources Development;
- (3) The Governor's Agriculture Coordinating Committee would be attached to the Department of Agriculture;
- (4) The coastal zone management function of the Office of State Planning would be folded into the Department of Land and Natural Resources;
- (5) The land use, state plan, and spatial data systems functions of the Office of State Planning would be folded into the Department of Business, Economic Development, and Tourism;
- (6) The At-Risk Teen Program of the Office of Children and Youth would be folded into the Office of Youth Services in the Department of Human Services;
- (7) The Preschool Open Doors and Child Care Development Programs of the Office of Children and Youth would be folded into the Department of Human Services; and
- (8) The Executive Office on Aging would be attached to the Department of Health.

Although your Committee generally agrees with the Governor's proposed reorganization plan, it has attached the Executive Office on Aging to the Department of Human Services rather than the Department of Health. Your Committee has also transferred positions and funds along with the functions and programs that are being transferred since it would be unreasonable to expect the Office of the Governor, the Department of Human Resources Development, the Department of Agriculture, the Department of Land and Natural Resources, the Department of Business, Economic Development, and Tourism, the Office of Youth Services, the Department of Human Services, and the Department of Health to carry out these worthwhile activities without personnel or resources.

This administration originally proposed to transfer many of the foregoing functions and programs to the Office of State Planning. By memorandums dated February 2 and 11, 1996, a member of the Governor's staff requested a copy of written legal advice that the staff member incorrectly believed to have been already issued by the Attorney General regarding the constitutionality of placing executive branch agencies within the Office of the Governor. Because of this lack of communication, the Governor was unable to propose the transfer of these functions and programs to the principal departments of the executive branch prior to the submission of the supplemental budget bill.

Your Committee is generally supportive of the Governor's proposed reorganization plan because it effectively continues this body's efforts to reasonably reduce the number of positions and amount of funds allocated for some of these functions and programs. For this reason, your Committee is supportive of other measures transferring various functions and programs from the Office of the Governor to the principal departments of the executive branch in order to conform with the Governor's proposed reorganization plan. Because programmatic and budgetary measures must be carefully

coordinated and planned, your Committee is engaged in ongoing discussions with the respective agencies presently placed within the Office of the Governor, and the departments that will assume the transferred functions and programs.

As part of the Governor's reorganization plans, your Committee has approved the transfer to the Department of Human Services of six positions and funds (three positions each to HMS302 and HMS501) formerly allotted to the Office of Children and Youth, and has noted that the Governor's plans call for these positions to be loaned back for a period of two years to the Children's Policy Team being established in GOV100. These positions and funds will be used to implement the Felix v. Waihee consent decree and the Good Beginnings (early childhood education) Program. Your Committee notes that these positions were not requested by the Department of Human Services as part of the Department's original budget request, and therefore would like the placement of these positions and funds in the Department of Human Services to be reexamined at the end of the loan-back period.

In addition to reviewing and responding to the proposed reorganization of the Governor's office, your Committee is using this bill to:

- (1) Amend the budget for fiscal year 1996-1997 to reflect the \$1,500,000 savings generated by the State's timely issuance of general obligations bonds;
- (2) Amend the budget for fiscal year 1995-1996 to reflect the \$3,900,000 savings generated by decreased expenditures for workers' compensation benefits;
- (3) Amend the budget for fiscal year 1996-1997 to transfer the Emergency Medical Services Training Program from the Department of Health to the University of Hawaii;
- (4) Amend the budget for fiscal year 1996-1997 to restore the \$1,500,000 restricted from the Department of Education's A+ After-School Program; and
- (5) Amend the budget for fiscal year 1996-1997 to eliminate funds for the thirteenth month of payments for the Aid to Families with Dependent Children Program (HMS201) and provide additional funds for the General Assistance Program (HMS204).

Your Committee was able to reduce the funding for the Aid to Families with Dependent Children Program by \$7,096,586 because funds for the thirteenth month of payments are no longer necessary. The Committee was thus able to provide an additional \$3,850,191 for the General Assistance Program, which will enable the State to provide a full twelve months of benefits for this vulnerable population. Furthermore, by leaving the time limitation on general assistance benefits unspecified in S.B. No. 2304, S.D. 1, H.D. 1, your Committee has left open the opportunity to work with the Senate Conference Committee to find the resources necessary to extend the general assistance time limit beyond twelve months.

Despite past and present philosophical differences with the Governor and the Senate, your Committee is ready and willing to work cooperatively in conference committee to develop a budget and financial plan that will meet the needs and wants of the people whom we were elected and sworn to serve.

As affirmed by the record of votes of 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. 2160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2160, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1538-96 Finance on S.B. No. 1602

The purpose of this bill is to ensure effective security at airports within the State by mandating criminal history record checks of all persons providing or hired to provide armed security services at state airports.

The Department of Transportation and the Attorney General submitted testimony in support of the measure.

Your Committee has amended the bill by making 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 S.B. No. 1602, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1602, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Chang.

SCRep. 1539-96 Finance on S.B. No. 1698

The purpose of this bill is to enable residents of Lanai and Niihau to be elected to the Board of Trustees of the Office of Hawaiian Affairs.

For purposes of the public hearing, your Committee circulated a proposed H.D. 3 version of the bill that modifies the manner in which the portion of revenues from the public land trust is calculated for allocation to the Office of Hawaiian Affairs (OHA).

Testimony in support of the proposed H.D. 3 was submitted by the Governor, the Attorney General, and the Department of Budget and Finance. The Native Hawaiian Legal Corporation, OHA, and a concerned individual submitted comments on the proposed H.D. 3.

Your Committee has amended the bill by deleting its substance and inserting language that modifies the manner in which the portion of revenues from the public land trust is calculated for allocation to OHA. Among other amounts, this new formula excludes:

- (1) Moneys received by the Airports and Harbors Divisions of the Department of Transportation;
- (2) Moneys received by the Department of Health from the operations of its health care programs and facilities; and
- (3) Moneys received from the operation of rental housing programs developed or administered under Chapter 201E, Hawaii Revised Statutes (HRS), Housing Finance and Development Corporation, and Chapter 356, HRS, Hawaii Housing Authority; Low Income Housing.

Your Committee also amended the bill to:

- (1) Require that the percent of the revenues derived from the public land trust be paid to OHA within thirty days after the close of each fiscal quarter; and
- (2) Clarify the definition of "revenue" as actual income which is derived and received from only the proprietary disposition of lands in the public land trust.

As affirmed by the record of votes of 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. 1698, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1698, H.D. 3.

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

SCRep. 1540-96 Finance on S.B. No. 2087

The purpose of this bill is to support school-run business ventures by:

- (1) Establishing the School Entrepreneurship Special Fund (Special Fund) for the deposit of moneys from school-run business ventures, which is to be expended by each school for the expansion of learning opportunities and the support of their school programs;
- (2) Requiring the Department of Education (DOE) to establish one school-run business venture in the Central School District during the 1996-1997 school year to grow shiitake mushrooms in Waialua; and
- (3) Authorizing DOE to establish more school-run business ventures during the 1997-1998 school year.

The Hawaii State Teachers Association submitted testimony in support of this measure. The DOE and the Department of Budget and Finance submitted testimony in support of the intent of this measure.

Your Committee has amended this bill by:

- (1) Requiring the Comptroller, rather than the Director of Finance, to:
 - (A) Establish separate accounts within the Special Fund to facilitate the management of each school's moneys;
 - (B) Transfer any amount over \$500,000 from each account within the Special Fund to the general fund not less than twenty days after the end of the fiscal year; and
- (2) Clarifying that, for purposes of workers' compensation coverage, the State is considered to be the employer of a student participating in a vocational student internship program sponsored by the DOE or the University of Hawaii if the student is being paid wages directly by a private employer.

As affirmed by the record of votes of 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. 2087, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2087, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1541-96 Finance on S.B. No. 2340

The purpose of this bill is to establish hunting licensing requirements to ensure the protection of hunting guides and their clients by:

- (1) Prohibiting persons from acting as hunting guides without first obtaining a current State hunting license, completing a hunter safety course, and registering with the Department of Land and Natural Resources (DLNR);

- (2) Imposing criminal penalties for failing to do so; and
- (3) Establishing a reduced fee schedule for certain nonresident hunters hunting on private and commercial shooting preserves.

DLNR and the Hawaii Rifle Association submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that a hunting guide license be issued to any person who possesses a valid state hunting license and registers with the DLNR;
- (2) Requiring hunting guides to provide an annual report to the DLNR of their guide activities, including the number of clients served and the clients' residency status; 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 S.B. No. 2340, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2340, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Jones and Kahikina.

SCRep. 1542-96 Finance on S.B. No. 2437

The purpose of this bill is to repeal the tax credit available to insurance companies when they engage in certain practices in Hawaii.

Testimony in support of this bill was received from the Department of Taxation. The Tax Foundation of Hawaii, Grand Pacific Life Insurance, Ltd., Insurance Holdings of Hawaii, Ltd., AIG Hawaii Insurance Company, Inc., Dai-Tokyo Royal State Insurance Company, Limited, Royal State National Insurance Company, Ltd., Pacific Guardian Life Insurance Company, Ltd., and Island Insurance Companies submitted testimony commenting on this measure.

Your Committee has amended this measure by 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 S.B. No. 2437, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2437, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1543-96 Finance on S.B. No. 2726

The purpose of this bill is to:

- (1) Clarify certain provisions of the Code of Financial Institutions;
- (2) Limit the imposition of an annual fee on financial institutions to those institutions subject to examination by the commissioner; and
- (3) Increase the foreign lender statement registration and annual renewal fees and provide for the deposit of these fees and other charges into the Financial Institution Examiners' Revolving Fund.

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

Your Committee has amended this bill by deleting the increases to the foreign lender statement registration and annual renewal fees.

As affirmed by the record of votes of 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. 2726, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2726, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1544-96 Finance on S.B. No. 2856

The purpose of this bill is to reorganize the Office of the Governor for greater efficiency and to better focus on important policies by:

- (1) Abolishing the Office of Children and Youth;
- (2) Transferring direct service programs and personnel to other government agencies; and
- (3) Transferring policy, planning, and evaluation activities and personnel directly to the Office of the Governor.

The Office of the Governor and the Hawaii Government Employees Association submitted testimony in favor of this measure.

Your Committee has amended this bill 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 S.B. No. 2856, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2856, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1545-96 Finance on S.B. No. 2859

The purpose of this bill is to restructure the Office of the Governor by integrating the Executive Office of Aging (EOA) within the Department of Human Services (DHS).

The Hawaii Government Employees Association submitted testimony in favor of this bill. Comments were received from the Office of Governor, the DHS, the Department of Human Resources of the City and County of Honolulu, the Maui County Office on Aging, the American Association of Retired Persons, Catholic Charities of the Diocese of Honolulu, the Assisted Living Options Task Force, the Kokua Council, the Hawaii County Committee on Aging, and numerous private citizens.

Your Committee has amended this bill by:

- (1) Eliminating the requirement that the Legislative Reference Bureau conduct a study to assess the most effective organizational placement of the EOA within the executive branch; and
- (2) 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 S.B. No. 2859, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2859, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1546-96 Finance on S.B. No. 2875

The purpose of this bill is to enable the Chief Election Officer and County Clerk to require registered voters of precincts affected by a natural disaster to vote by absentee ballot.

The Office of Elections submitted testimony in support of this bill.

Your Committee has amended this bill 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 S.B. No. 2875, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2875, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1547-96 Finance on S.B. No. 2902

The purpose of this bill is to divest the Legislature of its future authority to set the salary of the President of the University of Hawaii (UH).

The UH Board of Regents submitted testimony in support of this bill.

Your Committee has amended this bill by retaining the future authority of the Legislature to set the salary of the President of UH but changing the date upon which the Legislature will begin to set the salary of the President from July 1, 1998, to July 1, 2002.

As affirmed by the record of votes of 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. 2902, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2902, H.D. 1.

Signed by all members of the Committee except Representative Chang.

SCRep. 1548-96 Finance on S.B. No. 2999

The purpose of this bill is to require the Director of Transportation to provide for underground utility facilities in the design, redesign, construction, or reconstruction of new and existing federal-aid highway projects, upon determination that federal aid is available to do so and subject to any exceptions made by the Director of Transportation.

Testimony in support of this bill was received from the Department of Transportation, the Outdoor Circle, and Hawaiian Electric Company. GTE Hawaiian Telephone Incorporated and a private citizen submitted comments on this measure.

Your Committee has amended this 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 S.B. No. 2999, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2999, S.D. 2, H.D. 2.

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

SCRep. 1549-96 Finance on S.B. No. 3042

The purpose of this bill is to establish a three-year pilot project (pilot project) under the direction of the Department of Human Services (DHS) for child protective and diversion services.

The Department of Health, the Judiciary, the Hawai'i Community Foundation, and the University of Hawaii-Manoa Center on the Family submitted testimony in support of this measure. Testimony supporting the intent of this bill was received from DHS, the Office of Youth Services, and the Department of Education.

Your Committee has amended this bill by:

- (1) Clarifying the features of the pilot project;
- (2) Deleting the agency's responsibilities with regard to the pilot project;
- (3) Deleting all references to the oversight committee and the development of a memorandum of agreement to support the pilot project;
- (4) Specifying:
 - (a) That the pilot project is to work with an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to serve as the conduit through which private sector contributions may be expended for the pilot project;
 - (b) The representative organizations that DHS is to consult with; and
 - (c) The topics for consultation of the pilot project;
- (5) Requiring DHS to:
 - (a) Submit semi-annual reports on the progress of the pilot project to the Legislature, and final reports to the Legislature, no later than twenty days prior to the convening of the 1997, 1998, and 1999 Regular Sessions;
 - (b) Make the reports available to interested community groups; and
- (6) 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 S.B. No. 3042, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3042, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1550-96 Finance on S.B. No. 3232

The purpose of this bill is to provide government services more efficiently and to enable the Office of the Governor to better focus on important policies by:

- (1) Abolishing the Office of State Planning (OSP);
- (2) Transferring OSP's planning and related responsibilities to the Department of Business, Economic Development, and Tourism (DBEDT);
- (3) Transferring responsibility for the Coastal Zone Management Program from OSP to the Department of Land and Natural Resources (DLNR);
- (4) Transferring administrative responsibility for the Advisory Council and Executive Coordinating Council with respect to grants, subsidies, and purchases of services from OSP to the Office of the Governor; and
- (5) Transferring personnel, records, equipment, authorization, and funds of OSP to the appropriate agency or department.

The Office of the Governor, OSP, DBEDT, and DLNR submitted testimony supporting the measure. Comments were submitted by the Hawaii Government Employees Association.

Your Committee has amended this 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 S.B. No. 3232, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3232, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1551-96 Finance on S.B. No. 3248

The purpose of this bill is to provide stability and security to small business owners and operators in the ocean recreation industry by:

- (1) Making all commercial use and operator permits for commercial thrill craft and parasailing activities fully transferable upon payment of a business transfer fee;
- (2) Authorizing the Department of Land and Natural Resources (DLNR) to immediately revoke a commercial use permit without a hearing for any activity that may endanger the health or safety of passengers or the public;
- (3) Providing the permit holder the opportunity to request an administrative hearing to contest the basis for the suspension or revocation of the permit;
- (4) Requiring all new commercial thrill craft and parasailing permits be issued at public lottery;
- (5) Providing that all current commercial use and operator permits for commercial thrill craft and parasailing activities be valid for five years from the issuance date and be renewed for additional five year periods; and
- (6) Subjecting all commercial use and operator permits to an annual review by DLNR.

Supportive testimony was received from Kaneohe Bay Cruises, Inc., West Maui Parasail, Inc., Dina Morita & Associates, Inc., Aloha Ocean Sports, Inc., Kokohead Ocean Sports, Inc., SeaBreeze Parasailing, Ltd., Hawaiian Parasail & Thrillcraft Owners Association, Jet Ski Hawaii, and a law firm representing other small businesses. The DLNR, Watersports, Inc., Mid Pacific of Hawaii, Inc., Waikiki Ski Jet, Boats HI, Water Sports Hawaii, and KBOS submitted comments.

Your Committee has amended this bill by:

- (1) Allowing commercial use and operating permits for commercial water sledding to be transferable and valid for five-year intervals, and authorizing DLNR to adopt rules encouraging water safety education and programs relating to water sledding activities;
- (2) Requiring that all commercial use and operator permits, rather than only existing permits, be valid for five-year periods;
- (3) Limiting commercial use and operator permits to a maximum of twenty years;
- (4) Deleting inconsistent provisions that restrict the transfer of permits relating to operations in Kaneohe Bay;
- (5) Changing the method for issuing new commercial use and operator permits from public lottery to public auction;
- (6) Replacing the provision authorizing the transfer of individual permits with a provision to allow permits to be transferred as part of the sale of the entire business; and
- (7) 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 S.B. No. 3248, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3248, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Chang, Kahikina and Suzuki.

SCRep. 1552-96 Judiciary on S.B. No. 2007

The purpose of this bill is to allow participants to waive liability for injuries in favor of a motorsports facility.

Testimony in support of this measure was submitted by the Estate of James Campbell and the Hawaii Motorsports Center. The Consumer Lawyers of Hawaii testified in opposition to the bill.

Your Committee has amended the bill by deleting its contents and replacing it with the contents of H.B. 2902, H.D. 2.

As amended, this bill:

- (1) Ensures the validity of waivers, releases, waivers of liability or indemnity agreements entered into with the owners, operators, or promoters of a motorsports facility;
- (2) Requires that a waiver, release, waiver of liability, or indemnity agreement creates a presumption that the person signing the document read and understood the document; and
- (3) Defines the term "motorsports facility".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2007, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2007, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Menor, Saiki, Swain and Yoshinaga.

SCRep. 1553-96 Judiciary on S.B. No. 2263

The purpose of this bill is to facilitate the enforcement of monetary judgments rendered by foreign courts by adopting the Uniform Foreign Money-Judgments Recognition Act.

Testimony in support of this measure was submitted by a member of the public.

Your Committee has amended the bill by:

- (1) Clarifying that a copy of the foreign judgment may be filed with the clerk of an appropriate court of this State;
- (2) Setting forth the requirements for providing notice of the filing of the judgment to the judgment debtor and court; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2263, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2263, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawananaoka.

SCRep. 1554-96 Judiciary on S.B. No. 2380

The purpose of the bill, as received by your Committee, was to allow children sixteen years and older to leave the compulsory school system in certain limited circumstances.

Testimony in support of the measure was received by your Committee from a private citizen. Testimony generally in support of the measure, but expressing reservations with regard to certain provisions, was received from representatives of the Department of Education. Testimony in opposition to the measure was received from representatives of the Office of Youth Services, ILWU Local 142, and the Honolulu Police Department.

Your Committee finds that compulsory school attendance to age eighteen is counterproductive to the educational goals of the state when its enforcement results in disruption of the classroom learning experience for other students, or a futile expenditure of funds upon individuals age sixteen and over who refuse to devote themselves to obtaining an education.

Your Committee believes that the State's educational resources should be reserved for those students who want to learn. By the time a child has reached age sixteen and has decided that he or she no longer wants to be in school, forcing the child's attendance is rarely beneficial to the child, the other students, or their teachers.

Your Committee was concerned that the measure, as received, placed unnecessary limitations on the release of disruptive students or students who are absenting themselves from school to the extent that their learning is hindered.

Therefore, your Committee has amended the measure by:

- (1) Providing that students over sixteen may be released from school indefinitely when the principal has determined that the child's continued attendance in class is disruptive to other students or department employees, or the child's non-attendance is a significant factor that hinders the child's learning;
- (2) Requiring that the principal and the child's teacher or counselor, in consultation with the child and the child's parent or guardian, develop an alternative educational plan;
- (3) Providing that if the parent or guardian disagree with the alternative educational plan, such person shall be responsible for obtaining appropriate educational services for the child;
- (4) Revising the purpose clause of the bill to more accurately reflect its contents; and
- (5) Deleting the request to the Departments of Education, Health, and Human Services to research and develop a plan to implement the proposed exemption and report to the Legislature.

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 S.B. No. 2380, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2380, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawanakoa.
(Representative Saiki voted no.)

SCRep. 1555-96 Judiciary on S.B. No. 2487

The purpose of this bill, as received by your Committee, is to:

- (1) Allow the Ombudsman to refer possible wrongdoing to the appropriate authorities when it is suspected that a person has committed a breach of duty or misconduct without having to notify the person;
- (2) Allow the Ombudsman to retain attorneys independent of the Attorney General; and
- (3) Correct a technical error in section 103D-209, Hawaii Revised Statutes (HRS).

Testimony in support of the measure was received by your Committee from the Ombudsman.

Your Committee finds that the section of the bill relating to section 103D-209, HRS, is beyond the subject matter of the bill's title and therefore, its inclusion in this measure would violate Article III, section 14 of the Constitution of the State of Hawaii. Accordingly, your Committee has amended this measure to delete that section.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2487, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2487, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawanakoa.

SCRep. 1556-96 Judiciary on S.B. No. 2548

The purpose of this bill, as received by your Committee, is to limit the liability of a landowner who is required by the State or counties to provide access to public recreation facilities or public trails through or across the landowner's property.

Testimony in support of this measure was submitted by the Waialae Iki V Community Association, the Land Use Research Foundation of Hawaii, Gentry Homes, Ltd., and the Chamber of Commerce of Hawaii. The Department of Land and Natural Resources supported the intent of the measure. The Consumer Lawyers of Hawaii commented on the bill. The Koolau Agricultural Co., Ltd. testified in opposition to the measure.

Your Committee has amended the bill to:

- (1) Limit liability when the landowner is required to provide access for recreational purposes rather than to provide access to public recreational facilities or public trails;
- (2) Revise the purpose section to reflect that change; and
- (3) Make 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 S.B. No. 2548, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2548, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawanakoa.

SCRep. 1557-96 Judiciary on S.B. No. 2659

The purpose of this bill is to amend the wildlife and game management laws to increase criminal penalties for violations and to create additional civil and administrative fines.

Testimony in support of the measure was received by your Committee from representatives of the Board of Land and Natural Resources and the Hawaii Rifle Association.

Your Committee finds that while agreeing with the intent of the measure, certain sections to which penalties were applied are not in actuality offenses. Reference in the bill has been made to these portions of the statutes which do not refer to any prohibited conduct.

Consequently, your Committee has amended the bill to delete those provisions which cite sections of the Hawaii Revised Statutes which do not refer to any prohibited acts in subsections (a), (b), and (c) in section 183D-5.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2659, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2659, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Menor, Saiki, Swain and Yoshinaga.

SCRep. 1558-96 Judiciary on S.B. No. 3054

The purpose of this bill, as received by your Committee, is to require the legal owner or lien holder to pay towing and storage charges on vehicles removed by order of a county police department for traffic violations.

Testimony in support of the measure was received by your Committee from several concerned citizens. Representatives of the Hawaii Bankers Association and the Hawaii Automotive Retail Gasoline Dealers suggested certain amendments be made to the measure.

Your Committee finds that registered owners and lien holders of vehicles towed upon the request of the police department pursuant to the enforcement of a county ordinance should be liable for applicable charges. However, the registered owners and lien holders are entitled to reasonable notice before being held liable for those charges.

Your Committee has amended the bill by replacing the contents of the bill with new provisions balancing the interests of the towing companies and the registered owners and lien holders.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3054, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3054, H.D. 1.

Signed by all members of the Committee except Representatives McMurdo, Menor and Thielen.

SCRep. 1559-96 Judiciary on S.B. No. 3165

The purpose of this bill, as received, is to protect from discovery health care data consisting of aggregate treatment outcomes, trends, or cost analysis.

Testimony in support of this measure was submitted by the Hawaii Medical Association, the Hawaii Medical Services Association, the Healthcare Association of Hawaii, and the Hawaii Health Information Corporation. The Consumer Lawyers of Hawaii opposed the bill.

Your Committee has amended the bill by deleting its language and replacing it with the language of S.B. No. 3165, S.D. 2, for the purpose of correcting 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 S.B. No. 3165, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3165, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawananaoka.

SCRep. 1560-96 Judiciary and Consumer Protection and Commerce on S.B. No. 659

The purpose of this bill is to limit the liability of any person under the environmental response law for the release of heavy fuel oil from tank barges carrying heavy fuel oil between islands.

Your Committees received testimony in support of the bill from representatives of the Hawaiian Commercial and Sugar Company, Hawaiian Electric Company and a private citizen knowledgeable in the area of risk assessment and analysis of oil spills. Testimony in opposition to the bill was received from a representative of the Department of the Attorney General. Testimony supporting amendments to the bill was received from representatives of the Department of Health and Hawaiian Inter-Island Towing, Inc. A representative of the Department of Business, Economic Development, and Tourism commented on the bill.

Your Committees find that without a limit on liability, heavy fuel oil will no longer be delivered to Maui and the Big Island, causing an increase in energy costs to consumers. In balance, your Committees believe that continued service at lower rates is a priority, provided that the carriers of heavy fuel oil continue to carry the maximum amount of coverage available, which is currently \$700,000,000.

Your Committees understand that the industry is phasing out heavy fuel oil and that in approximately six years, the conversion to diesel or other fuel sources will be feasible. Continued efforts to move toward cleaner fuel sources are encouraged by your Committees.

Concern was expressed by your Committees that all reasonable efforts to minimize the risk of damage to the environment due to heavy fuel oil spills be taken. Your Committees urge private and public entities to continue to work together to ensure maximum protection to the environment.

Your Committees have amended this bill by:

- (1) Setting the maximum liability at \$700,000,000 rather than making that the minimum amount of liability;

- (2) Deleting section 2, relating to emergency rate action on the advice of the Attorney General to avoid a constitutional challenge to the bill; and
- (3) Deleting the sunset provision.

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 S.B. No. 659, S.D. 3, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 659, S.D. 3, H.D. 2.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Kawanakoa and Meyer.

SCRep. 1561-96 Judiciary and Consumer Protection and Commerce on S.B. No. 2416

The purpose of this bill is to:

- (1) Require a prescription for the dispensing of schedule V controlled substances (schedule V substances);
- (2) Require the labelling of packages containing schedule V substances;
- (3) Prohibit practitioners from prescribing schedule V substances for their own use except in a medical emergency;
- (4) Repeal the requirement that the addresses of the prescribing practitioner and the patient or animal owner be placed on the label of the package containing the drug when dispensed by a pharmacy;
- (5) Authorize the Department of Public Safety to require registrants to submit documents relevant to registration; and
- (6) Extend the regulation of prescriptions for controlled substances to include physicians on the staff of any facility serving veterans.

Your Committees received testimony in support of this bill from representatives from the Department of Public Safety and Longs Drugs.

Your Committees have amended this bill by clarifying that it is the "business" address of the practitioner that is to be placed on the label of the package containing the controlled substance when dispensed by that practitioner.

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 S.B. No. 2416, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2416, S.D. 1, H.D. 2.

Signed by all members of the Committees except Representatives Garcia, Hamakawa, Hiraki, Menor, Saiki and Swain.

SCRep. 1562-96 Consumer Protection and Commerce on No. 2003

The purpose of this bill is to allow residential real property to be used for family child care homes in single family designated zones, notwithstanding any law or private agreement to the contrary.

Specifically, the bill establishes a state preemption that precludes other laws and private party agreements that restrict or prohibit the operation of family child care homes on residential real property.

Testimony in support of the measure was received from: the Office of Children and Youth, Office of the Governor; the Real Estate Commission, subject to suggested amendments; People Attentive To Children (PATCH); the Maui County Early Childhood Resource Coordinator; and two concerned individuals. Testimony in support of the intent of the bill was received from: the Department of Human Services; the Hawaii Association of Realtors; and the Community Associations Institute (CAI), with suggested amendments. The Commission On Persons With Disabilities and the West Maui Taxpayers Association submitted comments on the bill.

Testimony in opposition to the bill was received from Small Business Hawaii and two concerned individuals.

Your Committee finds that the provision and availability of family child care homes (a private home where six or fewer children are cared for) is important for the welfare of Hawaii's children. With the rising numbers of working parents, the necessity for family child care homes has concurrently increased. However, the establishment of a family child care home may encounter prohibitions or restrictions due to county zoning laws or private party contractual conditions.

Among its important provisions, this bill would eliminate the prohibitions or restrictions upon family child care homes by:

- (1) Excluding family child care homes from laws that regulate or restrict their operation on residential real property; and
- (2) Prohibiting family child care homes from being subject to recorded restrictions or prohibitions contained in covenants, conditions upon use or occupancy, or upon transfer of title.

Furthermore, your Committee finds that in response to unresolved concerns involving issues such as constitutional violations, insurance costs, personal injury liability, and the Americans With Disabilities Act (ADA), this measure is limited in scope in terms of its application to residential properties. Accordingly, this measure does not require that family child care homes be considered a residential use for the following:

- (1) Housing for older persons;
- (2) Limited-equity housing cooperatives;
- (3) Cooperative housing corporations; and
- (4) Condominium property regimes.

Additionally, this measure provides for various state agencies, private organizations, and concerned citizens to submit a report to the Legislature prior to the convening of the 1997 Regular Session.

After carefully considering the merits of the measure and the testimonies received, your Committee has amended this bill by adding townhouse projects subject to covenants as an exempt residential property. Although almost all townhouse projects are condominiums, in certain cases townhouse projects were created as planned unit developments and not as condominiums. Accordingly, this amendment is consistent with the other types of exempt residential housing.

Your Committee has made additional technical, nonsubstantive amendments for purposes of style, clarity, 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 S.B. No. 2003, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2003, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Tom.

SCRep. 1563-96 Consumer Protection and Commerce on S.B. No. 2067

The purpose of this bill is to permit collection agencies that contract with the University of Hawaii for the collection of delinquent student loans to collect fees or commissions from the debtor.

The University of Hawaii (University) testified in favor of the bill.

Currently, the University contracts with collection agencies to collect delinquent student loans after in-house efforts to collect payments have been unsuccessful. In accordance with the Public Procurement Code, the contract awards are subject to competitive bidding requirements. Agencies receive a commission from the University based on a percentage of the amount collected on the loan.

This bill would permit a collection agency to collect its fees or commissions from the debtor, rather than the University. Collection costs represent a significant expense for the University, and allowing the agency to collect payment for its services directly from the debtor would enable the University to reduce its expenses. It would also shift the burden of paying collection costs from the taxpayers to the delinquent borrower.

Your Committee is satisfied that an agency's commissions will be kept in check by the competitive bidding process, and that assignment of a debt to a collection agency will continue to be a measure of last resort undertaken only after all other efforts to collect payment have failed.

However, your Committee has amended the bill to clarify the types of payment a collection agency is entitled to collect from a debtor to cover its costs. Your Committee believes the term "fees" is ambiguous and could be construed to mean amounts over and above the commission agencies are currently entitled to receive under a collection contract. Therefore, the bill has been amended by deleting language authorizing a collection agency to collect fees from a debtor.

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

- (1) Adding a provision to section 304-93, Hawaii Revised Statutes (HRS), authorizing the University of Hawaii to contract with a collection agency for the collection of delinquent student loans;
- (2) Amending section 443B-9, HRS, to exempt collection agencies acting under section 304-93, HRS, from the prohibition on the collection of commissions from debtors by collection agencies; and
- (3) 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 Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2067, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Tom, White and Meyer.

SCRep. 1564-96 Consumer Protection and Commerce on S.B. No. 2125

The purpose of this bill is to permit motorcycle drivers, as one of the options in meeting the prerequisites for obtaining insurance coverage, to enroll in and pass a motorcycle education course approved by the armed services of the United States.

Testimony in support of this measure was received from the Hawaii Motorcycle Dealers Association, an insurance agency, and an insurance company. The Department of Transportation (DOT), a Marine Corps motorcycle safety instructor, an insurance agency, and Street Bikers United similarly submitted testimony in support of this bill, but recommended amendments. Opposing testimony was received from the State Coordinator of Motorcycle Safety Education Programs, Leeward B.R.O.'s, and two concerned citizens. Comments were received from the National Association of State Motorcycle Safety Administrators (SMSA) and the Motorcycle Safety Foundation (MSF).

The current statute requires, in pertinent part, that any person seeking to obtain motorcycle liability coverage first obtain a valid motorcycle or motor scooter learner's permit and take and pass a motorcycle education course approved by the DOT. This measure would amend the applicable requirements to add the requirement that the motorcycle education course meet MSF standards, but would permit the armed services to approve motorcycle education courses in addition to the DOT.

Your Committee finds that the University of Hawaii, working through the DOT, has been the sole administrator in approving the motorcycle education courses, in which they follow MSF standards. Concurrently, the armed services are offering MSF approved courses on their respective bases or installations, albeit in some cases with a modified format. Your Committee finds that due to logistical and other concerns, the armed services have a legitimate interest in offering to their personnel motorcycle education courses approved by the MSF.

However, your Committee finds that some of the armed services' courses, even in cases where they meet the MSF standards, have not obtained the approval of the DOT. Therefore, under existing law, motorcycle drivers do not have the option of enrolling in these non-DOT approved courses in order to meet the prerequisites for obtaining insurance liability coverage.

Accordingly, after careful consideration, your Committee has amended this bill to require that enrollment in an armed services' motorcycle education course which is not concurrently approved by the DOT:

- (1) Be limited to active duty armed services personnel and their dependents as was suggested by the DOT and to civilian military employees;
- (2) Take place on a military base or installation; and
- (3) Be subject to monitoring by the DOT or its designated agent or representative.

Your Committee finds that these amendments are responsive to the needs of the armed services while at the same time ensuring that motorcycle education courses approved by the armed services meet appropriate standards. Furthermore, these amendments enable the current DOT approved program to remain in effect as an effective alternative program for both the civilian population and for those in the military opting to take the DOT 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 S.B. No. 2125, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2125, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Hamakawa.

SCRep. 1565-96 Consumer Protection and Commerce on S.B. No. 2456

The purpose of this bill is to make accessible a number of mental health and substance abuse service providers who are not being utilized because they are currently ineligible for insurance reimbursement.

Specifically, the bill includes advanced practice registered nurses (APRNs) and clinical social workers as service providers eligible for insurance reimbursement for certain mental health and substance abuse services.

Testimony supporting the measure was received from the Department of Health; Hale Opio, Kauai, Inc.; the Hawaii Nurses' Association; the National Association of Social Workers; Mental Health Association in Hawaii; the Committee on Welfare Concerns; the Hawaii Psychological Association; and numerous APRNs and clinical social workers.

The Hawaii Medical Association, the Chamber of Commerce of Hawaii, the Hawaii Psychiatric Medical Association, and several concerned individuals submitted testimony opposing the bill.

Several marriage and family therapists submitted comments.

Testimony indicated that currently, clinical social workers and APRNs are not eligible to receive insurance reimbursement for the mental health and substance abuse services they provide. However, these professions are recognized to be just as qualified as physicians and psychologists in providing certain types of mental health and substance abuse treatments.

Clinical social workers are recognized as independent providers of mental health services eligible for insurance reimbursement in the Federal Employee Health Benefits Program and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). Medicaid and Medicare also recognize clinical social work services as reimbursable.

Additionally, CHAMPUS and Medicare also recognize certain services provided by APRNs as reimbursable.

Your Committee believes that the public would benefit by allowing certain mental health and substance abuse services provided by APRNs and clinical social workers to be reimbursed by insurance. Because APRNs and clinical social workers are not reimbursed by insurance for services provided, patients often must make other payment arrangements, or go without treatment. This bill would make accessible providers who are currently not being utilized because they are not reimbursed by insurance.

After carefully considering the merits of the measure and the testimonies received, your Committee has amended the bill by:

- (1) Clarifying that only licensed physicians or licensed psychologists may prescribe, supervise, or approve services or treatment plans for the treatment of mental illness and alcohol and drug abuse; and
- (2) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As amended, the bill is consistent with the position your Committee took as reflected in H.B. No. 3179, H.D. 2, which was reported out of your Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2456, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2456, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1566-96 Consumer Protection and Commerce on S.B. No. 2750

The purpose of this bill is to allow pharmacy interns to gain experience in the practice of pharmacy, codify the Board of Pharmacy's practices with respect to license forfeiture and reinstatement, and clarify the requirements for applicants seeking licensure through reciprocity.

Specifically, the bill:

- (1) Authorizes pharmacy interns to dispense prescription drugs under the supervision of a licensed pharmacist;
- (2) Prohibits the refilling of a prescription after one year from its date of issuance if the prescription instructions indicate that refills are to be made "as needed" or "prn";
- (3) Establishes that the failure to pay pharmacist licensing fees constitutes license forfeiture;
- (4) Conditions license reinstatement on the payment of penalties and fees within a three year period and fulfillment of additional requirements;
- (5) Requires that a pharmacist applying for Hawaii licensure based on licensure in another state or U.S. territory demonstrate fulfillment of qualifications equivalent to that required by this state at the time the applicant obtained licensure from the other state or territory; and
- (6) Permits applicants for license reciprocity who are unable to meet the equivalency requirement to obtain a temporary license while fulfilling the remaining requirements necessary for licensure in this state.

The Board of Pharmacy and a concerned individual testified in favor of the bill. Testimony in support of sections one and two of the bill was received from the Department of Health. Longs Drug Stores and Kaiser Permanente submitted favorable testimony and proposed amendments to the measure.

The provisions in section one and two of the bill enable pharmacy students and graduates to obtain valuable field experience practicing pharmacy under the supervision of experienced, licensed pharmacists. Additionally, the bill clarifies the Board of Pharmacy's practice relating to license forfeiture and reinstatement, ensures that applicants for licensure based on reciprocity are as qualified to practice as Hawaii licensees, and enables applicants licensed by another state to engage in the practice of pharmacy while completing requirements for licensure in this state.

Your Committee has amended the bill by relaxing the prohibition against refilling prescriptions after one year for prescriptions authorizing refills "as needed" or "prn". As amended, the bill authorizes prescriptions to be refilled up to fifteen months after the date of the original prescription to provide persons with chronic medical conditions some flexibility and leeway in obtaining refills.

Technical, nonsubstantive amendments were also made to the bill for purposes of style, clarity, 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 S.B. No. 2750, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2750, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1567-96 Consumer Protection and Commerce on S.B. No. 3160

The purpose of this bill is to permit tour and cruise vessel operators holding Class 9 liquor licenses to serve liquor to passengers prior to departure or while waiting to disembark.

Testimony in support of this measure was submitted by the Board of Land and Natural Resources, with suggested amendments; the Department of Business, Economic Development & Tourism (DBET); the City and County of Honolulu, Department of Finance, with suggested amendments; and Paradise Cruise, Ltd.

Your Committee finds that currently, the tour and cruise vessel operators are prohibited from serving liquor to their on-board passengers while their vessel is in the port or dock. In many cases, a passenger will board a vessel at a substantial time prior to the departure, or will experience a significant delay in disembarking. Due to these delays, and with the intent of promoting a high level of customer service, the operators of tour and cruise vessels would like to serve liquor to their passengers during such time. Your Committee finds that there is merit in this measure because it will assist in the promotion of Hawaii's tourism industry.

This bill would amend section 281-31(j), Hawaii Revised Statutes (HRS), to permit the service of liquor on tour and cruise boats in State boat harbors when permitted by rules adopted by the Liquor Commission, unless otherwise approved by the county where the license has been issued.

Your Committee has adopted the recommendations of the City and County of Honolulu and has amended this bill by deleting language that would allow the serving of liquor when permitted by rules adopted by the Liquor Commission. Your Committee has retained the language permitting such sales if approved by the county where the license has been issued. This amendment removes unnecessary language, and gives authority to each county to deviate from statutory restrictions pertaining to the serving of liquor within a port or dock.

Your Committee has made additional technical, nonsubstantive changes for purposes of style, clarity, 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 S.B. No. 3160, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3160, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Case, Hiraki, Tom and White.

SCRep. 1568-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2737

The purpose of this bill is to streamline, improve, and clarify the regulation of unaccredited degree granting institutions by amending the disclosure and registration requirements under chapter 446, Hawaii Revised Statutes (HRS).

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs (DCCA) with no position taken on changes to the proposed language pertaining to section 446E-5(c), HRS. Testimony in support of the intent of this bill was received from the University of Hawaii, with suggested revisions, and the University of Phoenix.

Testimony in opposition to this bill was received from the County of Hawaii, Greenwich University, University of the Nations, International University of Professional Studies, and Kensington International University.

This bill amends chapter 446, HRS, by:

- (1) Repealing the requirement for unaccredited degree granting institutions to disclose provisional accreditation. Because a provisionally accredited institution is excluded from the definition of "unaccredited institution", this provision in the current statute is meaningless;
- (2) Repealing the requirement that such institutions register with the DCCA. The DCCA has limited resources in which to administer the registration program, and in any event, the DCCA maintains its oversight authority. Additionally, there is a risk that an institution may attempt to misrepresent to the public that registration comprises State approval;
- (3) Prohibiting an unaccredited institution from issuing a bachelor of arts (B.A.), bachelor of science (B.S.), master of arts (M.A.), master of science (M.S.), doctorate, or any equivalent or comparable degree. This would protect potential employers, and the public in general, from any misrepresentation which could be construed by a graduate's presentation of a degree; and
- (4) Prohibiting an unaccredited institution from issuing a juris doctor (J.D.) degree, master of laws degree (LL.M.), or any equivalent degree. The granting of law degrees by unaccredited institutions may create the appearance of licensure by the use of the degree without meeting all licensure requirements.

Your Committees find there is a need for proper disclosure to the students, the public, and to employers concerning an institution's unaccredited status. Concurrently, your Committees find that many of the unaccredited institutions fill a certain and useful market niche in the educational field. Accordingly, the issuance of certain degrees is a valid procedure, provided that the institution's lack of accreditation is properly disclosed, as provided by this bill.

Therefore, your Committees have amended this bill by adding language to section 446E-2, HRS, which requires that an unaccredited institution shall disclose in catalogs and other written materials that the institution is not fully accredited. Your Committees' amendment would add transcripts and diplomas to the delineated items which require the disclosure of the institution's unaccredited status.

Furthermore, your Committees have amended the bill by deleting proposed subsection 446E-5(c), HRS, which prohibits the issuance by an unaccredited institution of a bachelor of arts, bachelor of science, master of arts, master of science, doctorate, or any equivalent or comparable degree. This subsection is unnecessary in light of your Committees' amendments concerning disclosure in transcripts and diplomas of an institution's unaccredited status. Moreover, your Committees are concerned that the adoption of this subsection may cause legitimate unaccredited institutions to go out of business.

Your Committees have made additional technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2737, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2737, H.D. 2.

Signed by all members of the Committees except Representative Chun Oakland.

SCRep. 1569-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2773

The purpose of this bill is to amend chapter 328, Hawaii Revised Statutes (HRS), part VI, Drug Product Selection, by:

- (1) Adopting measures to ensure that pharmacists will not dispense equivalent (generic) anti-epileptic drugs instead of specific brand-name drugs;
- (2) Providing for certain procedures to ensure the proper dispensing of drugs; and
- (3) Establishing criminal and administrative penalties in the event of statutory violations.

Testimony in support of the measure was received from the Department of Health (DOH) (with suggested amendments), Longs Drug Stores, and a concerned citizen. Testimony in support of the measure, limited to the issue of anti-epileptic drugs, was received from the Hawaii Medical Association, the Epilepsy Foundation of Hawaii, and a concerned citizen.

Your Committees find that the dispensing of generic drugs, in some cases, has provided a viable alternative to the more expensive brand-name drugs. However, while most generic medications can safely be substituted for brand-name medications, there may be significant differences between brand-name and generic anti-epileptic medications. These differences could result in serious adverse effects including loss of seizure control and the development of toxic side effects.

Furthermore, your Committees find that the current statutes pertaining to drug labelling procedures for generic medications and other types of labelling requirements are deficient in their procedural requirements and uses of certain terminology.

Therefore, among its important provisions, this bill provides the following:

- (1) Prohibits a pharmacist from substituting a specific brand-name anti-epileptic drug with a generic drug;
- (2) Changes the terms of "dispenser" to "pharmacist", and "prescriber" to "practitioner";
- (3) Provides additional uniform and recognizable terminology for practitioners to utilize in order to inform pharmacists that substitution of a generic drug for a brand-name drug is not permitted; and
- (4) Requires a pharmacist to note the practitioner's instructions on the prescription record required to be maintained under chapter 328.

Furthermore, this bill would amend the enforcement of the provisions contained within section 328, HRS, part VI, by:

- (1) Empowering the DOH with all powers and duties conferred pursuant to Part I of the Hawaii Food, Drug, and Cosmetic Act; and
- (2) Strengthening the DOH's enforcement of applicable laws by providing criminal and administrative penalties and injunctive relief.

Your Committees have amended this measure to reflect the suggested recommendation of the DOH by substituting "pharmacist" or "practitioner" for "dispenser" as appropriate in sections 4 and 5 of this measure.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2773, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2773, S.D. 1, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki, McMurdo and Thielen.

SCRep. 1570-96 Water and Land Use Planning on S.B. No. 2144

The purpose of this bill is to amend the definition of a "conservation easement" by expanding the purpose for which such an easement may be established to include:

- (1) The preservation and protection of landscapes, resources, and sites which perpetuate indigenous culture; and
- (2) The preservation and protection of historic properties and traditional and family cemeteries.

The Department of Land and Natural Resources testified in support of this measure and recommended an amendment. The Office of Hawaiian Affairs and the Land Use and Research Foundation of Hawaii testified in support of this bill.

Your Committee finds that this amendment clarifies the law pertaining to conservation easements. Your Committee also agrees that these easements are non-regulatory land use tools which may act as tax incentives to property owners who assist in preserving and protecting resources and sites associated with Hawaii's rich heritage.

Based upon the testimony presented, your Committee has amended the bill as follows:

- (1) Added "preserve and protect" before "historic properties"; and
- (2) Made technical, nonsubstantive changes for purposes of clarity and consistency.

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. 2144, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2144, H.D. 2.

Signed by all members of the Committee except Representatives Takamine, Garcia, Kanoho and Meyer.

SCRep. 1571-96 Judiciary on S.B. No. 2330

The purpose of this bill is to:

- (1) Exempt the Auditor from being required to disclose any working papers containing information that the Auditor holds confidential under the Uniform Information Practices Act;
- (2) Exempt the Auditor and the Auditor's staff from testifying in any judicial or administrative proceeding except as a witness on behalf of the State;
- (3) Require that concurrent resolutions requesting the Auditor's assessment of any proposed mandatory health insurance coverage designate a specific legislative bill that has been introduced in the Legislature and include certain required information;
- (4) Require that new regulatory measures that would subject unregulated professions and vocations to licensing or other regulatory controls be referred to the Auditor by the concurrent resolution identifying the specific legislative bill to be analyzed; and
- (5) Authorizes the Auditor to employ or retain attorneys independent of the Attorney General.

Your Committee received testimony in support of the bill from the State Auditor and from representatives of the Office of Information Practices and Common Cause Hawaii.

Your Committee believes that the Auditor and the Auditor's staff should be able to hold working papers confidential in order to facilitate the efficient and fair performance of their duties and to prevent any chilling effect on their investigations. However, they should not be given any broader protection than what is delineated in the Uniform Information Practices Act under Chapter 92F, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2330, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Menor, Saiki, Swain and Yoshinaga.

SCRep. 1572-96 Judiciary on S.B. No. 2772

The purpose of this bill is to make it unlawful to sell cigarettes in packs of less than twenty cigarettes and in other than sealed packages originating with the manufacturer bearing the required health warning.

Your Committee received testimony in support of the bill from representatives of the Department of Health, the Honolulu Police Department, the Laryngectomy Club of Hawaii, the Hawaii Medical Service Association, the American Cancer Society, and the American Heart Association. The Tobacco Association opposed the measure.

Your Committee finds that the sale of cigarettes in packs of less than twenty cigarettes would induce young people to become acquainted with an addictive habit at a younger age than they would if the product was less accessible due to larger quantity and price.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2772, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawanakoa.

SCRep. 1573-96 Judiciary on S.B. No. 2992

The purpose of this bill is to:

- (1) Make traffic and parking violations committed on stadium premises punishable as traffic infractions rather than as petty misdemeanors; and
- (2) Make the maximum fine for violations of stadium rules regulating other conduct consistent with that permitted by the Penal Code.

Your Committee received testimony in support of this bill from a representative of the Judiciary.

Your Committee finds that this bill brings the penalties for violations of stadium authority rules into line with similar statutory schemes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2992, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Menor, Saiki, Swain and Yoshinaga.

SCRep. 1574-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2532

The purpose of this bill is to protect consumers by defining the term "nurse" and limiting its application to an individual licensed to practice in this State as a registered nurse (R.N.), licensed practical nurse (L.P.N.), or advanced practice registered nurse (A.P.R.N.).

Testimony in support of the measure was received from the Board of Nursing, the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the Hawaii Nurses' Association, and concerned individuals.

Your Committees received testimony that hospitals, clinics, and physicians' offices are replacing licensed nurses with unlicensed health care workers, some of whom are identifying themselves, or being identified, as nurses. This presents a confusing and potentially harmful situation for consumers who may be misled into believing that the health care worker administering their treatment has met the skill, training, and experience requirements for licensed nurses in this State. This measure seeks to prevent the further misuse of the title "nurse" by:

- (1) Defining "nurse" under section 457-2, Hawaii Revised Statutes (HRS), as a person licensed under chapter 457, HRS, or holding an equivalent license under the laws of another state or territory of the United States; and
- (2) Amending the title protection provisions of chapter 457, HRS, to prohibit the use of the term "nurse" by anyone other than a person holding a license to practice in this State as an R.N., L.P.N., or A.P.R.N.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2532, S.D. 1, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki, McMurdo and Thielen.

SCRep. 1575-96 Consumer Protection and Commerce on S.B. No. 2459

The purpose of this bill is to authorize the Board of Medical Examiners to approve the limited temporary certification of emergency medical service personnel.

Testimony in support of the measure was received from the Department of Health, the Board of Medical Examiners, and the Board of Medical Examiners Advisory Committee for Emergency Physicians and Paramedics.

Your Committee finds that in order for emergency medical service personnel applicants to be certified, they must meet certification criteria established by the Board of Medical Examiners (Board) under chapter 453, Hawaii Revised Statutes (HRS), and the Board's rules applicable under chapter 453, HRS.

Your Committee finds that certification criteria includes the requirement that an applicant was graduated from a Board approved training program. In the alternative, the applicant must have achieved the comparable standards as required in the Board's approved training program. Such comparable standards consist of the comparable coursework and the comparable skills and experience.

Accordingly, this measure would provide the mechanism for the Board to implement a peer review. An applicant's passage of the peer review would demonstrate that the applicant had achieved the comparable standards of skills and experience which are required in the Board's approved training program. However, in order for the applicant to qualify under the peer review, the applicant must demonstrate competency in certain skill areas while being employed.

Therefore, this measure would provide for the issuance of a limited temporary certification, which would permit the applicant to be employed and thereby gain experience, and demonstrate competency in certain skill areas.

Furthermore, this measure provides for additional educational and procedural prerequisites to qualify for limited temporary certification.

Passage of this measure would enable emergency medical service personnel certified in other states to become certified in Hawaii, while ensuring that the personnel have the minimum knowledge and skills requirements necessary to perform their duties.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2459, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Hiraki, Tom and White.

SCRep. 1576-96 Water and Land Use Planning on S.B. No. 3204

The purpose of this bill is to prohibit the implementation of any plans that will affect Honolulu Harbor without first obtaining legislative approval.

The Chamber of Commerce of Hawaii submitted testimony supporting the bill. The Department of Business, Economic Development, and Tourism, the Hawaii Community Development Authority, and the Department of Transportation submitted testimony in opposition to the bill.

Your Committee finds that comprehensive masterplans for Honolulu Harbor are being developed, but that safeguards protecting harbor lands that are vital for the future of our state, lack legislative involvement before implementation.

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. 3204, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Takamine, Garcia, Kanoho and Meyer.

SCRep. 1577-96 Finance on S.B. No. 1738

The purpose of this bill is to support the Community-Based Economic Development (CBED) Program by:

- (1) Clarifying CBED Program definitions and functions;
- (2) Differentiating the Hawaii CBED Program from other programs that are labeled "community-based";
- (3) Providing additional financing mechanisms to ensure continued success of the CBED Program; and
- (4) Increasing the number of CBED Advisory Council members to 12 members to include the Chairperson of the Office of Hawaiian Affairs.

The Department of Business, Economic Development, and Tourism submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Deleting references to "investments"; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency 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 S.B. No. 1738, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1738, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1578-96 Finance on S.B. No. 2227

The purpose of this bill is to encourage the use of alternative methods of disposing of recyclable and bioconvertible solid wastes. Specifically this bill adds to the solid waste management and the coordination of bioconversion programs the goal of reducing or eliminating the need for disposing agricultural solid waste, food waste, green waste, and source separated waste through landfill or incineration, whenever and wherever possible.

Comments on this measure were submitted by Honolulu Disposal Service, Unisyn Biowaste Technology, and Honolulu Recovery Systems.

Your Committee has amended this bill by:

- (1) Establishing a two-year income tax credit for taxpayers for the actual cost of collecting and transporting wet waste for disposal at a wet waste bioconversion facility that primarily uses a bioconversion process for waste disposal; 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 S.B. No. 2227, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2227, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Chang, Kahikina and Suzuki.

SCRep. 1579-96 Finance on S.B. No. 2758

The purpose of this bill is to promote the financial solvency of mutual benefit societies and protect consumers in the event of an insolvency of a mutual benefit society by, among other things:

- (1) Establishing minimum net worth requirements for mutual benefit societies;
- (2) Requiring every contract between a society and a participating health care provider to state that in the event the society fails to pay for health care services as set forth in the contract, the society's members will not be liable to the provider for any sums owed by the society; and
- (3) Establishing the process for rehabilitation, liquidation, or conservation of mutual benefit societies.

Testimony supporting the measure was received from the Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, and Kaiser Permanente. HDS Medical and Pacific Group Medical Association submitted comments on the bill.

Your Committee has amended the bill by:

- (1) Amending net worth requirements as follows:
 - (A) Reducing the initial and minimum net worth requirement from \$1,500,000 to \$1,000,000; and
 - (B) Reducing the percentage of the annual health care and operating expenses incurred from ten percent to six percent;
- (2) Incorporating the substance of H.B. No. 4096, H.D. 2, which passed Third Reading in the House and establishes a five-year coordinated care organization pilot program (Pilot Program) within the Department of Labor and Industrial Relations to allow employers to contract with a coordinated care organization to furnish medical care, services, and supplies for injured workers;
- (3) Changing the effective date to take effect upon approval, providing that:
 - (A) Mutual benefit societies currently in existence in Hawaii shall have two years to meet the initial net worth requirements;
 - (B) A minimum of twenty-five percent of the initial net worth requirement be met and accumulated every six months from the effective date of this bill until the entire net worth requirement is met; and
 - (C) The provisions of this bill establishing the Pilot Program take effect January 1, 1997, and be repealed December 31, 2001; and
- (4) Making 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 S.B. No. 2758, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2758, S.D. 1, H.D. 2.

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

SCRep. 1580-96 Finance on S.B. No. 2848

The purpose of this bill is to transfer the cost of government services relating to the Occupational Safety and Health Law, from all taxpayers to the actual users of these services by authorizing the Director of Labor and Industrial Relations to establish fees for the:

- (1) Issuance of permits, certificates, and licenses;
- (2) Provision of records as well as record searches, reviews, and segregation;
- (3) Costs of workshop training materials; and
- (4) Costs of public notices required for variances and rulemaking.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations. The Chamber of Commerce of Hawaii submitted comments.

As affirmed by the record of votes of 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. 2848, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1581-96 Finance on S.B. No. 2850

The purpose of this bill is to authorize voluntary withholding of federal and state income taxes from unemployment insurance benefit payments.

The Department of Labor and Industrial Relations submitted testimony in support of this measure. Comments were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2850, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Ito and Nekoba.

SCRep. 1582-96 Finance on S.B. No. 1234

The purpose of this bill is to allow employers to establish tax-exempt individual medical care savings accounts as an alternative for workers' compensation coverage to cover non-catastrophic injuries and the first \$3,000 for catastrophic injuries.

Testimony in support of this bill was received from the National Federation of Independent Business, the Hawaii Medical Association, and the Hawaii Occupational Medical Association.

Comments were received from the Departments of Commerce and Consumer Affairs, Taxation, and Labor and Industrial Relations; the Tax Foundation of Hawaii; the Chamber of Commerce of Hawaii; the Hawaii Bankers Association; the Hawaii Federation of Physicians and Dentists; Kaiser Permanente; the Hawaii Medical Service Association; the Hawaii Nurses' Association; the Hawaii Insurers Council; the Hawaii State AFL-CIO; the International Longshoremen's and Warehousemen's Union, Local 142; the United Food and Commercial Workers Union, Local 480; the Musicians' Association of Hawaii; and the Hawaii Operating Engineers Industry Stabilization Fund.

Your Committee has amended this bill by:

- (1) Adding a new part establishing tax-exempt medical care savings accounts to be established by employers as a self-insurance medical plan for employees;
- (2) Deleting the requirement for the amount of employer funding of individual medical savings accounts to be established by the Insurance Commissioner;
- (3) Requiring an employer's initial contribution to be equal to the difference between the amount paid for medical insurance premium payments under the old system and the system implemented under this bill;
- (4) Deleting the requirement for an employer to provide an initial \$3,000 "paper credit";
- (5) Deleting the fine for financial institutions that honor invalid claims; 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 S.B. No. 1234, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1234, S.D. 1, H.D. 2.

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

SCRep. 1583-96 Finance on S.B. No. 2662

The purpose of this bill is to strengthen the developmental disabilities services system in the community by:

- (1) Transferring the funding for developmentally disabled former residents of Waimano Training School and Hospital as they make the transition from Waimano to community-based services; and
- (2) Extending the implementation date to June 30, 1997, to allow the Department of Health to phase in the case management system.

The State Planning Council on Developmental Disabilities and the Commission on Persons with Disabilities submitted testimony in support of this bill. Comments on this measure were submitted by the Department of Health.

Your Committee has amended this 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 S.B. No. 2662, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2662, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Ito and Nekoba.

SCRep. 1584-96 Finance on S.B. No. 2522

The purpose of this bill is to affirm the State's commitment to provide quality health care for the people of the State by enabling Hawaii's community hospitals system to gain more control over their operations. Specifically, this bill establishes the Hawaii Health Systems Corporation (Corporation) to enable the community hospitals to compete and remain viable.

Comments on this bill were received from the Department of Health, the Attorney General, the Healthcare Association of Hawaii, the United Public Workers, Hawaii Government Employees Association, Hilo Medical Center Medical Staff, and a private citizen.

Your Committee has amended this bill by:

- (1) Adding sentencing for a felony conviction to the list of causes for which members of the Corporation Board and the Corporation's regional boards may be removed;
- (2) Specifying that the Corporation's regional board meetings are subject to the quorum requirements of the Public Agency Meetings and Records Law;
- (3) Clarifying that the Corporation is subject to the Uniform Information Practices Act (Act) and other provisions related to the Act;
- (4) Stating the categories of government records that the Corporation is not required to disclose;
- (5) Specifying that the duties and powers of the Corporation include developing a corporation-wide hospital personnel system that is subject to, rather than consistent with, the Civil Service Law, the Compensation Law, and the Collective Bargaining in Public Employment Law;
- (6) Encouraging use of the Procurement Code;
- (7) Deleting references in the bill regarding the integrity of services of the Corporation;
- (8) Reducing to 150 days, the number of days after the close of the Corporation's fiscal year in which the Corporation is required to submit a report to the Governor and the Legislature;
- (9) Maintaining necessary legislative review and oversight over the maintenance of direct patient care services;
- (10) Providing a transition period to enable the Corporation to take on the duties of the Division of Community Hospitals;
- (11) Making other necessary amendments to conform with current statutes; and
- (12) 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 S.B. No. 2522, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2522, S.D. 1, H.D. 2.

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

SCRep. 1585-96 Finance on S.B. No. 2900

The purpose of this bill is to provide more discretion to the Board of Regents in matters related to tuition waivers and fee waivers.

For purposes of the public hearing, your Committee circulated a proposed H.D. 2 version that deletes the provisions of the bill and inserts new language, which modifies the base figure by which the Legislature formulates general fund budget appropriations for the University of Hawaii (UH) beginning fiscal year 1997-1998.

The proposed version of the bill reduces the base figure from 100 to 85 percent of the operating general fund amount appropriated to the UH for fiscal year 1994-1995.

Testifying on the proposed H.D. 2 version, the Department of Defense supported the measure, the UH supported the intent of the measure, and the Department of Budget and Finance offered comments.

Your Committee has amended the bill by deleting its substance and incorporating the substance of the proposed H.D. 2 heard by this Committee. The bill reduces the base figure to 85 percent of the operating general fund amount appropriated to the UH.

As affirmed by the record of votes of 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. 2900, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2900, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Ito and Nekoba.

SCRep. 1586-96 Finance on S.B. No. 3012

The purpose of this bill is to allow unmarried children of members of the Public Employees Health Fund (Health Fund) to receive medical plan benefits under the Health Fund, provided that:

- (1) The child is over 19 and under 23 years of age;
- (2) The child is enrolled at an educational institution as a full-time student; and
- (3) Premium payments are made directly to Health Fund insurance carriers.

The Health Fund and the University of Hawaii Professional Assembly submitted testimony in support of the bill.

The Department of Budget and Finance submitted comments.

Your Committee has amended the bill by:

- (1) Adding new provisions eliminating the requirement that the State and the counties make monthly contributions to the Health Fund for employee-beneficiaries or dependent-beneficiaries who are covered by another health benefit plan or a spouse's health benefit plan;
- (2) Adding new provisions requiring the Health Fund to provide employee-beneficiaries and dependent-beneficiaries with a group life insurance plan;
- (3) Adding new provisions requiring that any Health Fund rate credit or reimbursement from any carrier or self-insured plan be returned to the State, counties, and active employees on a pro rata basis if the moneys are returned from a plan covering active employees whose coverage is paid for by the State or a county;
- (4) Amending the effective date to take effect upon approval, except section 1 shall take effect on September 1, 1997, and sections 4 and 5 shall take effect on December 31, 1996; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3012, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3012, S.D. 2, H.D. 2.

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

SCRep. 1587-96 Finance on S.B. No. 3110

The purpose of this bill is to encourage greater employer participation in school-to-work activities by adding student intern services to the list of those excluded from the unemployment insurance payroll tax under chapter 383, Hawaii Revised Statutes (HRS).

Testimony in support of this bill was received from the Department of Labor and Industrial Relations (DLIR), the University of Hawaii, the Hawaii School-to-Work Opportunities Executive Council, the West Oahu Employment Corporation, the Leeward District School to Work Business Advisory Group, and Hawaiian Electric Company, Inc. The Department of Education supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Authorizing the DLIR to provide grants and subsidies for employment, education, and training services, exempt from the provisions of chapter 42D, HRS;
- (2) Extending the time period for Employment and Training Fund assessments until December 31, 2000; 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 S.B. No. 3110, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3110, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Ito and Nekoba.

SCRep. 1588-96 Finance on S.B. No. 2304

The purpose of this bill is to:

- (1) Provide a maximum period of twelve months that eligible disabled people without children can receive general assistance;
- (2) Eliminate from the category of people qualifying for general assistance those individuals whose primary diagnosis is substance abuse;
- (3) Exclude members of an assistance unit from receiving general assistance if any adult member of the unit fails to comply with general assistance requirements; and
- (4) Restore the payment standard for general assistance to 62.5 percent of the federal poverty level in 1993.

Testimony commenting on this measure was submitted by the Department of Human Services, (Department) the Commission on Persons with Disabilities, the State Planning Council on Developmental Disabilities, the Hawaii Nurses' Association, the Affordable Housing and Homeless Alliance, the Hawaii Medical Association, the Kalihi-Palama Health Center, the Medical Health Association in Hawaii, Mental Help Hawaii, the Hawaii Centers for Independent Living, the Salvation Army, the Committee on Welfare Concerns, the Hawaii Women's Political Caucus, the American Friends Service Committee, United Self-Help, the Protection and Advocacy Agency of Hawaii, the Support the Restoration of Entitlements Now: Give Them Hope Coalition, the Waikiki Tenants Association, the Oahu Alliance for the Mentally Ill, the Citizens for Camp Kailua, the Kokua Council, Waikiki Health Center's Care-A-Van, and numerous concerned citizens.

Your Committee has amended the bill by:

- (1) Deleting the restoration of the payment standard to 62.5 percent of the federal poverty level in 1993;
- (2) Deleting the provision excluding members of an assistance unit from receiving general assistance if any adult member of an assistance unit fails to comply with general assistance requirements;
- (3) Replacing the one year limit for persons between 18 to 65 years of age with a disability to be eligible for general assistance with an unspecified period for purposes of further discussion;
- (4) Requiring that persons who are already receiving assistance upon the effective date of the bill and whose assistance exceeds unspecified period shall not be entitled to another period of assistance;
- (5) Immediately terminating the benefits of disabled persons who have received general assistance for an unspecified period upon the effective date of this bill;
- (6) Mandating the Department to provide public assistance to qualified persons with disabilities or who have dependent children; and
- (7) 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 S.B. No. 2304, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2304, S.D. 1, H.D. 2.

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

SCRep. 1589-96 Finance on S.B. No. 2485

The purpose of this bill is to preserve certain employee rights, privileges, and benefits for furloughed state and county employees.

The University of Hawaii Professional Assembly, the United Public Workers, AFSCME, Local 646, AFL-CIO, and two concerned individuals testified in support of this measure. The Hawaii State Teachers Association and a concerned individual supported the bill's intent. The Department of Budget and Finance and the Employees' Retirement System offered comments.

Your Committee has amended this bill by:

- (1) Authorizing the Governor to convert the payroll payment basis for state employees from the current predicted payroll to after-the-fact payroll;
- (2) Requiring each department to furlough each employee for twelve days during fiscal year 1996-1997; and
- (3) Clarifying the provisions that preserve certain employee rights, privileges, and benefits when an employee is furloughed.

As affirmed by the record of votes of 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. 2485, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2485, H.D. 2.

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

SCRep. 1590-96 Finance on S.B. No. 1810

The purpose of this bill is to amend the retirement benefits for elective officers, judges, and others.

Among other things, this bill:

- (1) Deletes the early retirement provision for judges, elective officers, and certain legislative officers;
- (2) Repeals the 75 percent cap on retirement benefits for judges, elective officers, and certain legislative officers;
- (3) Changes the method of calculating retirement allowances for elective officers, judges, and certain legislative officers by subjecting their retirement allowances to a trifurcated calculation; and
- (4) Provides that the average final compensation is based on the five highest paid years of credited service for judges, elective officers, and certain legislative officers.

The Democratic Party of Hawaii testified in support of this bill. The Department of Budget and Finance supported the concept of this bill.

The Employees' Retirement System (ERS) and the State Attorney General commented on this measure.

The Hawaii State Trial Judges Association (HSTJA) and the Hawaii Government Employees Association expressed concerns over the bill.

The Local Union 1186 of the International Brotherhood of Electrical Workers, the Electrical Contractors Association of Hawaii, and five private citizens opposed this measure.

Some of the testimony indicated that this bill may do a disservice to the people of Hawaii. Those opposing this bill stated that existing law encourages a cross section of people in the state to become involved in public service--ensuring a Legislature made up of members with varying backgrounds who are qualified to address a wide variety of issues. By removing this incentive for public service, this bill, as received by your Committee, would discourage ordinary people of modest means from running for office. The HSTJA also raised concerns about the effect this bill would have on the willingness of candidates to enter judicial service.

In addition, issues of fairness and equity were raised. Currently, the highest three years of compensation are used as the basis for computing retirement benefits for all public employees. As received by your Committee, this bill creates a trifurcated "high five" formula for only elective officials, judges, and certain legislative officers. Opponents of this bill noted that this new formula, which singles out a special class of employees, is both inequitable and discriminatory.

Based on the testimony received, and in an effort to make retirement benefits uniform for all government employees, your Committee has amended this bill to provide for the separate computation of retirement benefits for different categories of service and to make this applicable across the board.

Specifically, this bill provides that for credited service before September 1, 1996, the member's average final compensation (AFC) will be based on the three highest paid years of credited service. However, instead of counting the three highest paid years of the member throughout the member's career, regardless of position, the member's AFC will be calculated separately for the three highest years in each category of service as follows:

- (1) Credited service as a judge; elective officer; or the chief clerk, assistant clerk, sergeant at arms, or assistant sergeant at arms of either house of the Legislature;
- (2) Credited service as a department head or executive officer;
- (3) Credited service as a deputy or assistant department head;
- (4) Credited service as a firefighter, police officer, corrections officer, investigator of the departments of the prosecuting attorney and attorney general, narcotics enforcement investigator, or water safety officer; and
- (5) Other credited service.

For credited service after September 1, 1996, the AFC will be based on the five highest paid years of credited service, calculated separately for the five highest years in the same categories listed in paragraphs (1) to (5).

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1810, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1810, S.D. 1, H.D. 2.

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

SCRep. 1591-96 Public Safety and Military Affairs on H.C.R. No. 19

The purpose of this concurrent resolution is to urge the United States Congress to continue to provide funds for the Hawaii National Guard Youth Challenge Program.

Testimonies in support of this concurrent resolution were presented by the State of Hawaii Department of Defense, Director of the Hawaii National Guard Youth Challenge Program, Department of Education, Honolulu Police Department, and two recent graduates of the Hawaii National Guard Youth Challenge Program. In addition, written testimonies in

support of the program were received from the Drug Demand Reduction Administrator of the National Guard and the State of Hawaii Judiciary.

Your Committee finds that the Hawaii National Guard Youth Challenge Program is a federally funded pilot program designed to provide youths-at-risk with the opportunity to develop self-discipline, life skills and knowledge to become productive and contributing members of our community. Your Committee is indelibly impressed with the record of achievements to date. Since September 1994, the program has graduated one hundred eighty corps members. From this group of graduates, one hundred forty-eight corps members earned high school diplomas and thirty-two corps members returned to high school and completed their high school education.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19, H.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Tom and White.

SCRep. 1592-96 Public Safety and Military Affairs and Finance on H.R. No. 222

This resolution recognizes the desirability for professionalizing the training of adult correctional officers. Its specific intent is to request the Department of Public Safety to develop a suitable model for an adult corrections academy and to report on its progress to the 1997 Legislature.

The Department of Public Safety has indicated its support for the measure's underlying premise and testified that in fiscal 1992, it received planning funds for a new training facility. However, beyond conducting a needs analysis, no training facility was ever established.

Your Committees recognize that there are insufficient resources for actualization of such a training facility. However, insofar as this measure does not require a specific appropriation, your Committees agree that development of a suitable model could be accomplished without significantly impacting available resources.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Finance that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 222 and recommend its adoption.

Signed by all members of the Committees except Representatives Chang, Jones, Nakasone, Nekoba, Saiki, Tom, Marumoto and Ward.

SCRep. 1593-96 Public Safety and Military Affairs and Finance on H.C.R. No. 227

This concurrent resolution recognizes the desirability for professionalizing the training of adult correctional officers. Its specific intent is to request the Department of Public Safety to develop a suitable model for an adult corrections academy and to report on its progress to the 1997 Legislature.

The Department of Public Safety has indicated its support for the measure's underlying premise and testified that in fiscal 1992, it received planning funds for a new training facility. However, beyond conducting a needs analysis, no training facility was ever established.

Your Committees recognize that there are insufficient resources for actualization of such a training facility. However, insofar as this measure does not require a specific appropriation, your Committees agree that development of a suitable model could be accomplished without significantly impacting available resources.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Finance that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 227 and recommend its adoption.

Signed by all members of the Committees except Representatives Chang, Jones, Nakasone, Nekoba, Saiki, Tom, Marumoto and Ward.

SCRep. 1594-96 Energy and Environmental Protection on H.R. No. 250

The purpose of this resolution is to request that the United States Congress continue the Low-Income Home Energy Assistance Program (LIHEAP).

Your Committee received testimony in support of the measure from the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, and a private citizen.

Your Committee finds that Hawaii's electric rates are among the nation's highest. Because electric power has become such a necessary service to the people of Hawaii, LIHEAP has proven essential in assisting low-income families meet their energy requirements. It is, therefore, important for the Hawaii State Legislature to voice its support of the program and make Congress aware of the continued need for the assistance it provides.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 250 and recommends its adoption.

Signed by all members of the Committee except Representatives Shon, Kanoho, Takamine and Thielen.

SCRep. 1595-96 Energy and Environmental Protection on H.C.R. No. 259

The purpose of this concurrent resolution is to request that the United States Congress continue the Low-Income Home Energy Assistance Program (LIHEAP).

Your Committee received testimony in support of the measure from the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, and a private citizen.

Your Committee finds that Hawaii's electric rates are among the nation's highest. Because electric power has become such a necessary service to the people of Hawaii, LIHEAP has proven essential in assisting low-income families meet their energy requirements. It is, therefore, important for the Hawaii State Legislature to voice its support of the program and make Congress aware of the continued need for the assistance it provides.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 259 and recommends its adoption.

Signed by all members of the Committee except Representatives Shon, Kanoho, Takamine and Thielen.

SCRep. 1596-96 Energy and Environmental Protection on H.R. No. 272

The purpose of this resolution is to request the appropriate action necessary to designate Hawaii as a "unique ecosystem." Such designation would elevate Hawaii's ecosystem to a status similar to that of the Galapagos Islands. The effects of such recognition would include worldwide public awareness of Hawaii's fragile environment and heightened recognition of Hawaii as a location for evolutionary biology and conservation research.

Testimony in support of the resolution was received from the University of Hawaii's Center for Conservation Research and Training, The Outdoor Circle, Hawaii's Thousand Friends, and the Hawaii Nature Center. The Center for Conservation Research and Training testified that the Ecology, Evolution and Conservation Biology graduate program that was established in 1991 is rapidly being recognized as a leading program in the field.

Your Committee finds that despite the rapid population growth and development of Hawaii over the last fifty years, Hawaii's island ecosystem still warrants and deserves recognition as a "unique ecosystem." The particular problems that Hawaii faces (i.e. specie losses, alien pests, etc.) provide an excellent backdrop for research and study of an environment that starkly contrasts that of the unspoiled Galapagos Islands. Your Committee also finds that the increased research and study of Hawaii's ecosystem would assist with determining strategies for protecting the fragile and limited resources that remain.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 272 and recommends its adoption.

Signed by all members of the Committee except Representatives Kanoho, Takamine and Thielen.

SCRep. 1597-96 Energy and Environmental Protection on H.C.R. No. 286

The purpose of this concurrent resolution is to request the appropriate action necessary to designate Hawaii as a "unique ecosystem." Such designation would elevate Hawaii's ecosystem to a status similar to that of the Galapagos Islands. The effects of such recognition would include worldwide public awareness of Hawaii's fragile environment and heightened recognition of Hawaii as a location for evolutionary biology and conservation research.

Testimony in support of the concurrent resolution was received from the University of Hawaii's Center for Conservation Research and Training, The Outdoor Circle, Hawaii's Thousand Friends, and the Hawaii Nature Center. The Center for Conservation Research and Training testified that the Ecology, Evolution and Conservation Biology graduate program that was established in 1991 is rapidly being recognized as a leading program in the field.

Your Committee finds that despite the rapid population growth and development of Hawaii over the last fifty years, Hawaii's island ecosystem still warrants and deserves recognition as a "unique ecosystem." The particular problems that Hawaii faces (i.e. specie losses, alien pests, etc.) provide an excellent backdrop for research and study of an environment that starkly contrasts that of the unspoiled Galapagos Islands. Your Committee also finds that the increased research and study of Hawaii's ecosystem would assist with determining strategies for protecting the fragile and limited resources that remain.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 286 and recommends its adoption.

Signed by all members of the Committee except Representatives Kanoho, Takamine and Thielen.

SCRep. 1598-96 Energy and Environmental Protection on H.R. No. 226

The purpose of this resolution is to ask the U.S. Congress to clarify its intentions with regard to pollutant discharges, specifically, individual car washing in residential areas by amending the Federal Clean Water Act.

Testimony supporting the intent of the measure was received from two private citizens.

Your Committee finds that under the current NPDES permit issued by the State Department of Health to the City and County of Honolulu, residential car washing effluent may be discharged into the storm sewer system without an NPDES permit, provided the discharges are not a source of pollutants. At this time, there is no scientific evidence to indicate that car washing effluent is a significant source of pollution in Hawaii. In addition, your Committee believes that residential car washing can be done in ways that do not contribute to the pollution problem. Therefore, the City and County of Honolulu may be acting prematurely in prohibiting all residential car washing and in taking enforcement actions against selected members of the community.

The title and content of the measure have been amended to reflect these findings. The Department of Health and the City and County of Honolulu are requested to develop and implement educational programs to inform citizens about non-polluting methods of conducting activities (such as car washing) which are exempt under the current NPDES permit, whereby no permit condition, rule, or law will be violated.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 226, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 226, H.D. 1.

Signed by all members of the Committee except Representatives Shon, Kanoho, Takamine and Thielen.

SCRep. 1599-96 Energy and Environmental Protection on H.C.R. No. 231

The purpose of this concurrent resolution is to ask the U.S. Congress to clarify its intentions with regard to pollutant discharges, specifically, individual car washing in residential areas by amending the Federal Clean Water Act.

Testimony supporting the intent of the measure was received from two private citizens.

Your Committee finds that under the current NPDES permit issued by the State Department of Health to the City and County of Honolulu, residential car washing effluent may be discharged into the storm sewer system without an NPDES permit, provided the discharges are not a source of pollutants. At this time, there is no scientific evidence to indicate that car washing effluent is a significant source of pollution in Hawaii. In addition, your Committee believes that residential car washing can be done in ways that do not contribute to the pollution problem. Therefore, the City and County of Honolulu may be acting prematurely in prohibiting all residential car washing and in taking enforcement actions against selected members of the community.

The title and content of the measure have been amended to reflect these findings. The Department of Health and the City and County of Honolulu are requested to develop and implement educational programs to inform citizens about non-polluting methods of conducting activities (such as car washing) which are exempt under the current NPDES permit, whereby no permit condition, rule, or law will be violated.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 231, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 231, H.D. 1.

Signed by all members of the Committee except Representatives Shon, Kanoho, Takamine and Thielen.

SCRep. 1600-96 Legislative Management on H.R. No. 69

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the establishment of post-harvest warehousing and treatment facilities to facilitate the export and marketing of Hawaii-grown crops.

The Board of Agriculture submitted testimony in agreement with the intent and purpose of the measure. LRB submitted comments on the measure.

Your Committee has amended this resolution by:

- (1) Requesting the Department of Agriculture (DOA), in conjunction with the Department of Transportation (DOT), rather than LRB, to conduct the study;
- (2) Adding that the study include transportation as a component of the overall issue of marketing Hawaii-grown crops;
- (3) Requesting DOA rather than LRB to submit a report to the Legislature;
- (4) Directing copies of the measure to be sent to DOA and DOT rather than LRB; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 69, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1601-96 Legislative Management on H.C.R. No. 60

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the establishment of post-harvest warehousing and treatment facilities to facilitate the export and marketing of Hawaii-grown crops.

The Board of Agriculture submitted testimony in agreement with the intent and purpose of the measure. LRB submitted comments on the measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Department of Agriculture (DOA), in conjunction with the Department of Transportation (DOT), rather than LRB, to conduct the study;
- (2) Adding that the study include transportation as a component of the overall issue of marketing Hawaii-grown crops;
- (3) Requesting DOA rather than LRB to submit a report to the Legislature;
- (4) Directing copies of the measure to be sent to DOA and DOT rather than LRB; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 60, H.D. 1.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1602-96 Legislative Management on H.R. No. 301

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a status review of the economic impacts placed on local business retailers by "big box retailers".

Testimony in support of this measure was submitted by the Legislative Information Services of Hawaii, Inc. The Retail Merchants of Hawaii commented on the measure.

Your Committee has amended this resolution by:

- (1) Amending the title and the resolution to reflect that an assessment is requested instead of a status review;
- (2) Clarifying that DBEDT is to work with business advocacy groups to develop business and marketing strategies to help small retailers to survive and remain competitive;
- (3) Adding the Chamber of Commerce to the list of entities to assist DBEDT in generating the assessment; 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 301, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 301, H.D. 2.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1603-96 Legislative Management on H.C.R. No. 329

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a status review of the economic impacts placed on local business retailers by "big box retailers".

Testimony in support of this measure was submitted by the Legislative Information Services of Hawaii, Inc. The Retail Merchants of Hawaii commented on the measure.

Your Committee has amended this concurrent resolution by:

- (1) Amending the title and the concurrent resolution to reflect that an assessment is requested instead of a status review;
- (2) Clarifying that DBEDT is to work with business advocacy groups to develop business and marketing strategies to help small retailers to survive and remain competitive;
- (3) Adding the Chamber of Commerce to the list of entities to assist DBEDT in generating the assessment; 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 329, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 329, H.D. 2.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1604-96 Legislative Management on H.R. No. 168

The purpose of this resolution is to request the Auditor to conduct a "sunrise review" report to determine the need for licensing persons who:

- (1) Manage the operations of condominium properties; and
- (2) Are involved in the governance of condominium associations of apartment owners;

based on H.B. No. 3242, which was introduced this legislative session.

Your Committee recognizes that making persons responsible for the management of condominium associations and condominium properties, subject to minimum competency requirements, education, and disciplinary action, should improve the management and operations of condominium properties.

The Real Estate Commission and the Legislative Action Committee of the Hawaii Chapter of the Community Associations Institute submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 168, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1605-96 Legislative Management on H.C.R. No. 165

The purpose of this concurrent resolution is to request the Auditor to conduct a "sunrise review" report to determine the need for licensing persons who:

- (1) Manage the operations of condominium properties; and
- (2) Are involved in the governance of condominium associations of apartment owners;

based on H.B. No. 3242, which was introduced this legislative session.

Your Committee recognizes that making persons responsible for the management of condominium associations and condominium properties, subject to minimum competency requirements, education, and disciplinary action, should improve the management and operations of condominium properties.

The Real Estate Commission and the Legislative Action Committee of the Hawaii Chapter of the Community Associations Institute submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 165, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1606-96 Legislative Management on H.C.R. No. 157

The purpose of this concurrent resolution is to assist deaf and hard-of-hearing persons by requesting:

- (1) The Department of Human Services (DHS) to consider the creation of a branch providing services to persons who are deaf or hard of hearing, or other restructuring alternatives to meet the needs of hearing-impaired persons; and
- (2) The Legislative Reference Bureau (LRB) to conduct a study to determine how to improve pre-vocational and vocational services for deaf and hard-of-hearing persons within the Department of Human Services.

Testimony in support of this measure was received from the Hawaii State Coordinating Council on Deafness and an individual. The Commission on Persons with Disabilities submitted testimony supporting the intent of the measure. Comments on this measure were received from DHS.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Okamura, Souki and Ward.

SCRep. 1607-96 Legislative Management on H.C.R. No. 170

The purpose of this concurrent resolution is to seek ways to better protect consumers from rent-to-own agreements by requesting the Legislative Reference Bureau to conduct a study of the sales practices within the rent-to-own industry.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1608-96 Intergovernmental Relations and International Affairs on H.R. No. 173

The purpose of this resolution is to request the International Olympic Committee, the U.S. Olympic Committee, and the International Olympic Organizing Committee to recognize and initiate the process of designating surfing and outrigger canoe racing as Olympic sports.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism (DBEDT) which cited the social and economic benefits of designating surfing and outrigger canoe racing as Olympic sports.

Your Committee recognizes the positive effect of emphasizing sports as a new business market and of preserving Hawaii's unique blend of cultures with an emphasis on the Hawaiian culture. Both of these issues would promote Hawaii as a desirable tourist destination and would therefore increase the number of visitors to Hawaii.

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.R. No. 173 and recommends its adoption.

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

SCRep. 1609-96 Intergovernmental Relations and International Affairs on H.C.R. No. 171

The purpose of this concurrent resolution is to request the International Olympic Committee, the U.S. Olympic Committee, and the International Olympic Organizing Committee to recognize and initiate the process of designating surfing and outrigger canoe racing as Olympic sports.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism (DBEDT) which cited the social and economic benefits of designating surfing and outrigger canoe racing as Olympic sports.

Your Committee recognizes the positive effect of emphasizing sports as a new business market and of preserving Hawaii's unique blend of cultures with an emphasis on the Hawaiian culture. Both of these issues would promote Hawaii as a desirable tourist destination and would therefore increase the number of visitors to Hawaii.

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. 171 and recommends its adoption.

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

SCRep. 1610-96 Intergovernmental Relations and International Affairs on H.R. No. 41

The purpose of this resolution is to denounce the French government's nuclear testing in the Pacific and to call upon the French government to fund a neutral environmental organization to perform environmental assessment in the testing area and the area surrounding the nuclear tests to determine their effects on the environment.

Testimony in support of this measure was submitted by a member of the Honolulu City Council and by the Hawaii Coalition Against Nuclear Testing (HCANT).

In light of the overwhelming support of this resolution by 45 members of the Hawaii State House of Representatives, your Committee believes this issue to be of vital concern. Your Committee has amended this measure by:

- (1) Including technical changes in the naming of the Moruroa Faugatufu Atolls; and
- (2) Including language which acknowledges the refusal of the French government and military to release medical records to the workers and families who have been adversely affected by the testing and calls for the release of such records and compensation for suffered losses.

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.R. No. 41, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 41, H.D. 1.

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

SCRep. 1611-96 Intergovernmental Relations and International Affairs on H.C.R. No. 34

The purpose of this concurrent resolution is to denounce the French government's nuclear testing in the Pacific and to call upon the French government to fund a neutral environmental organization to perform environmental assessment in the testing area and the area surrounding the nuclear tests to determine their effects on the environment.

Testimony in support of this measure was submitted by a member of the Honolulu City Council and by the Hawaii Coalition Against Nuclear Testing (HCANT).

In light of the overwhelming support of this concurrent resolution by 45 members of the Hawaii State House of Representatives, your Committee believes this issue to be of vital concern. Your Committee has amended this measure by:

- (1) Including technical changes in the naming of the Moruroa Faugatufu Atolls; and
- (2) Including language which acknowledges the refusal of the French government and military to release medical records to the workers and families who have been adversely affected by the testing and calls for the release of such records and compensation for suffered losses.

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. 34, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 34, H.D. 1.

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

SCRep. 1612-96 Intergovernmental Relations and International Affairs on H.R. No. 60

The purpose of this resolution is to request the United States Department of Agriculture to:

- (1) Conduct a comprehensive entomological study of agricultural pests to update the last comprehensive survey conducted in 1956;
- (2) Revise the federal quarantine regulations in accordance with the findings of the survey.

Testimony in support of this measure was submitted by the Bishop Museum which cited the importance of documenting the occurrence of insects in the Central Pacific. It was indicated that the proposed survey would update the limited amount of current information available thereby aiding in effective quarantine measures. Such information would also help Micronesia in designing and managing pest management programs and would help Hawaii and the rest of the United States exclude such pests from invading their agricultural and natural ecosystems.

Your Committee recognizes the need to update information concerning the occurrence of these biological pests in the Micronesian states, the Territory of Guam, and the Commonwealth of the Northern Marianas Islands as these systems affect the ecosystems of Hawaii and the rest of the United States. Your Committee has adopted the recommendation of the Bishop Museum and has amended this resolution by:

- (1) Including all invertebrate agricultural pests such as insects, mites, and snails in the survey;
- (2) Making reference to the coordination of the survey with the Pacific Biosystematics Network (PACINET), a technical cooperation network among Pacific Island states; and
- (3) Making reference to the collections resources from Micronesia and the staff expertise available at the Bishop Museum.

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.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 60, H.D. 1.

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

SCRep. 1613-96 Intergovernmental Relations and International Affairs on H.C.R. No. 51

The purpose of this concurrent resolution is to request the United States Department of Agriculture to:

- (1) Conduct a comprehensive entomological study of agricultural pests to update the last comprehensive survey conducted in 1956; and
- (2) Revise the federal quarantine regulations in accordance with the findings of the survey.

Testimony in support of this measure was submitted by the Bishop Museum which cited the importance of documenting the occurrence of insects in the Central Pacific. It was indicated that the proposed survey would update the limited amount of current information available thereby aiding in effective quarantine measures. Such information would also help Micronesia in designing and managing pest management programs and would help Hawaii and the rest of the United States exclude such pests from invading their agricultural and natural ecosystems.

Your Committee recognizes the need to update information concerning the occurrence of these biological pests in the Micronesian states, the Territory of Guam, and the Commonwealth of the Northern Marianas Islands as these systems

affect the ecosystems of Hawaii and the rest of the United States. Your Committee has adopted the recommendation of the Bishop Museum and has amended this concurrent resolution by:

- (1) Including all invertebrate agricultural pests such as insects, mites, and snails in the survey; and
- (2) Making reference to the coordination of the survey with the Pacific Biosystematics Network (PACINET), a technical cooperation network among Pacific Island states; and
- (3) Making reference to the collections resources from Micronesia and the staff expertise available at the Bishop Museum.

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. 51, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 51, H.D. 1.

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

SCRep. 1614-96 Legislative Management on H.R. No. 172

The purpose of this resolution is to seek ways to better protect consumers from rent-to-own agreements by requesting the Legislative Reference Bureau to conduct a study of the sales practices within the rent-to-own industry.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 172, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1615-96 Legislative Management on H.R. No. 267

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees.

The University of Hawaii Professional Assembly (UHPA) submitted testimony in support of this measure. Comments were submitted by the University of Hawaii and the LRB.

According to LRB, proper analysis of the main issues in the study would require the expertise of an actuary.

Upon consideration, your Committee has amended this resolution by:

- (1) Requesting the Legislative Auditor, rather than the LRB, to:
 - (a) Conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees; and
 - (b) Submit a report with its findings and recommendations to the Legislature prior to the 1997 Regular Session;
- (2) Requesting the Legislative Auditor to work with UHPA to obtain a cost-effective actuary to assist LRB in conducting its study; and
- (3) Specifying that the Legislative Auditor, rather than the Director of LRB, is to receive a copy of this resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 267, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 267, H.D. 1.

Signed by all members of the Committee except Representatives Say, Okamura, Souki and Ward.

SCRep. 1616-96 Legislative Management on H.C.R. No. 276

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees.

The University of Hawaii Professional Assembly (UHPA) submitted testimony in support of this measure. Comments were submitted by the University of Hawaii and the LRB.

According to LRB, proper analysis of the main issues in the study would require the expertise of an actuary.

Upon consideration, your Committee has amended this concurrent resolution by:

- (1) Requesting the Legislative Auditor, rather than the LRB, to:
 - (a) Conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees; and

- (b) Submit a report with its findings and recommendations to the Legislature prior to the 1997 Regular Session;
- (2) Requesting the Legislative Auditor to work with UHPA to obtain a cost-effective actuary to assist LRB in conducting its study; and
- (3) Specifying that the Legislative Auditor, rather than the Director of LRB, is to receive a copy of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 276, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 276, H.D. 1.

Signed by all members of the Committee except Representatives Say, Okamura, Souki and Ward.

SCRep. 1617-96 Judiciary on S.B. No. 2379

The purpose of this bill is to require persons who are exempt from firearms regulations to relinquish their firearms while off duty if subject to a restraining order or protective order.

Your Committee received testimony in support of this bill from representatives of the Domestic Abuse Clearinghouse, the Honolulu Police Department and the Department of Health.

Your Committee believes that this bill is another step toward keeping victims of domestic violence safe from harm. Those who are exempted from firearms regulations are entrusted with keeping the peace and protecting the community. When they violate that trust by engaging in violence in their own homes or against those with whom they have relationships, they should no longer be given special privileges with respect to firearms.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2379, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yoshinaga and Kawanakoa.

SCRep. 1618-96 Energy and Environmental Protection on S.B. No. 2535

The purpose of this bill, as received by your Committee, is to direct the Department of Health (DOH) to:

- (1) Review its rules, procedures, and variances relating to minimum lot size requirements for the construction and operation of cesspools in areas zoned for rural or agricultural uses; and
- (2) Submit a report on its findings to the Legislature, prior to the convening of the Regular Session of 1997.

While your Committee finds that DOH rules relating to cesspools are valid from an environmental standpoint, it is nonetheless concerned that enforcement of such rules, in the eyes of the general public, have left little room for compromise.

Your Committee is cognizant that many locations in Hawaii, especially on the neighbor islands, are in remote areas that are not currently accessible to sewer lines, yet the DOH requires landowners and homeowners currently using cesspools who apply for building permits for home expansion to upgrade to either septic tanks or sewer line hookup. As previously noted, sewer lines are not always available, and the cost for installation of a septic system is approximately \$6,000, which can be prohibitive. And in some parts of the State the soil composition is such that appropriately designed cesspools are more than effective in the treatment of household wastewater, with little threat to the environment. In areas such as Waimanalo on Oahu, the forced hookup to existing sewer lines will only add to a wastewater flow that already overburdens a system operating at capacity.

Your Committee agrees with this measure, and is hopeful that such a review of DOH rules will allow for a more flexible approach to enforcement. The construction and operation of new cesspools should certainly be discouraged, but your Committee sees little value in forcing citizens into needless and expensive upgrades when the existing cesspool has neither failed nor is in danger of such.

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. 2535, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kanoho, Takamine and Thielen.

SCRep. 1619-96 Energy and Environmental Protection on S.B. No. 2784

The purpose of this bill is to substitute the term "finding of no significant impact" for the term "negative declaration" as a determination based on an environmental assessment that the subject action will not have a significant effect on the environment and would therefore, not require the preparation of an environmental impact statement.

Your Committee is in full agreement with the intent of this measure, which will bring State regulations into concurrence with the National Environmental Policy Act.

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. 2784 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 Kanoho, Takamine and Thielen.

SCRep. 1620-96 Consumer Protection and Commerce on S.B. No. 3128

The purpose of this bill is to require applicants for liquor licenses, where a prior application for the same premises has been denied, refused or withdrawn, to show a substantial change in the circumstances causing the prior denial, refusal or withdrawal, before being allowed to apply for a liquor license.

Testimony in support of this bill was received from: the County of Maui Department of Liquor Control; the County of Hawaii Department of Liquor Control; a Councilmember of the Honolulu City Council; the Director of Finance for the City and County of Honolulu; the Kaimuki Neighborhood Board; the McCully-Moiliili Neighborhood Board; the Downtown Neighborhood Board (Honolulu); and several concerned citizens.

Your Committee finds that currently, individuals or organizations that are denied a liquor license may reapply to the Liquor Commission (Commission) for the license after a one-year waiting period. Furthermore, there may be instances where, after surrounding residents or neighborhood organizations have shown significant opposition, an applicant withdraws before a hearing, then later reapplies. Additionally, there may be circumstances where a similar type of business, albeit under different owners and business names, attempts to obtain a license after a prior business had been denied.

Your Committee finds that such efforts at applying or reapplying may be intended to "wear down" the opposition, by placing the burden on the residents and neighborhood organizations to repeat their efforts in opposition at each hearing before the Commission. Accordingly, this bill provides the mechanism to alleviate the burden on the residents and neighborhood organizations having to repeatedly present their opposition at the hearings.

Among its important provisions, this bill would apply to applicants who are applying for a liquor license, that withdrew their application or were denied or refused a liquor license by the Commission in a prior application. This bill would provide that the applicants must bear the burden of providing a report showing a substantial change in the circumstances from that which previously caused the denial, refusal, or withdrawal. The Commission shall deny the application at the preliminary hearing unless the applicant has shown, in writing, a significant change in the circumstances which caused the prior denial, refusal, or withdrawal.

Furthermore, this measure permits the Commission to consider various factors, including, but not limited to the following:

- (1) Whether a majority of the registered voters, or a majority of owners and lessees of record of real estate or a majority of owners of record in a cooperative apartment, within 500 feet of the nearest point of the premises, continue to oppose the granting of the liquor license; and
- (2) Whether the plans for the construction or operation of the proposed establishment have been changed so they no longer conflict with the character of the area.

Your Committee finds that this measure appropriately considers the circumstances of a business that withdraws their application for reasons other than in reaction to opposition from the residents and neighborhood organizations. Accordingly, this bill provides that its provisions are not applicable if the application for the liquor license was withdrawn for reasons not related to protests whether or not the protests were filed.

Your Committee finds that this bill would amend the application process in a fair and equitable manner that is properly responsive to the needs of both the surrounding community and the businesses applying for a license.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3128, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Hiraki, Tom and White.

SCRep. 1621-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2365

The purpose of this bill is to exclude antique motor vehicles, including antique motorcycles or motor scooters, from the state's mandatory insurance laws.

Testimony in support of the measure was received from Street Bikers United and a concerned citizen. Testimony stating there are no objections to this bill was received from the Department of Transportation and the Department of Finance of the City and County of Honolulu.

Your Committees find that antique motor vehicles are, in part, motor vehicles which are at least thirty-five years old and are operated on our public roads primarily for the purpose of historical exhibition. Since the owners of antique motor vehicles usually exercise extraordinary care in maintaining and operating their vehicles, your Committees find that the antique motor vehicles do not present a safety concern to the driving public.

Additionally, your Committees find that supporting the exhibition of antique vehicles, such as antique scooters, contributes to the enjoyment of citizens at notable functions such as the Toys for Tots Parade, Muscular Dystrophy Association Run, and other ceremonies and public occasions.

Currently, antique motorcycles or motor scooters are not specifically delineated as an antique motor vehicle under the county vehicular tax law, and are not excluded from the mandatory motorcycle insurance laws. Additionally, vehicles such as antique cars are not exempt under the current no-fault motor vehicle insurance laws. Therefore, certain antique motor vehicles may incur difficulties in obtaining insurance. Additionally, many collectors have a high number of vehicles which are rarely driven, and the mandatory insurance coverage may be unnecessary and cost prohibitive.

Accordingly, your Committees concur with this bill's provisions that would amend the following:

- (1) Expand section 249-1, Hawaii Revised Statutes (HRS), pertaining to the qualifying criteria to define antique motor vehicles, to include a motorcycle or motor scooter which produces not more than twelve horsepower;
- (2) Exclude antique motor vehicles from the state's no-fault motor vehicle law, section 431:10C-104, HRS; and
- (3) Exclude antique motorcycles and motorscooters from the mandatory insurance requirements under section 431:10G-102, HRS.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2365, S.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Herkes, Hiraki and Thielen.

SCRep. 1622-96 Public Safety and Military Affairs and Judiciary on S.B. No. 678

The purpose of this bill is to adopt the Interstate Corrections Compact (ICC), enabling the State to enter into agreements with other ICC member states to transfer prisoners.

Currently, the Department of Public Safety (PSD), has the authority to transfer prisoners to any other state. As part of the Western Interstate Corrections Compact, Hawaii can enter into agreements for the transfer of prisoners to Western states, including, Alaska, Arizona, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. However, PSD has recently learned that the laws of some states prevent prisoner transfer agreements with states that are not ICC members. By becoming an ICC member, Hawaii will strengthen its ability to transfer prisoners to approximately forty states.

The PSD submitted testimony in support of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 678, S.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hamakawa, Menor, Saiki, White, Kawanakoa and Meyer.

SCRep. 1623-96 Legislative Management on H.R. No. 71

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the economic potential, problems, and other related matters of growing nonpsychoactive industrial cannabis hemp as an agricultural product in Hawaii.

The Convener of the Hawai'i Drug Policy Options Group and two testifiers submitted testimony in support of this resolution. The County of Hawaii submitted comments, indicating that it would be supportive of this measure if the measure were to assess hemp's potential as a food, fuel, and fiber source. Comments were submitted by LRB and an interested individual. Testimony in opposition to this resolution was received from the Department of Agriculture (DOA) and the Department of Public Safety (PSD).

Upon consideration, your Committee has amended this resolution by:

- (1) Requesting the Agribusiness Development Corporation (ADC), rather than LRB, to:
 - (a) Conduct a study on the economic potential, problems, and other related matters of growing nonpsychoactive industrial cannabis hemp as an agricultural product in Hawaii; and
 - (b) Submit a report of its findings to the Legislature prior to the 1997 Regular Session;
- (2) Changing the title of the resolution to read: "HOUSE RESOLUTION REQUESTING THE AGRIBUSINESS DEVELOPMENT CORPORATION TO CONDUCT A STUDY ON THE ECONOMIC POTENTIAL, PROBLEMS, AND OTHER RELATED MATTERS OF GROWING NONPSYCHOACTIVE INDUSTRIAL CANNABIS HEMP AS AN AGRICULTURAL PRODUCT IN HAWAII";
- (3) Specifying that in conducting the study, the ADC is to:

- (a) Work in conjunction with the Department of Business, Economic Development, and Tourism, the Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR), and LRB; and
- (b) Set forth problems, barriers, and concerns involved in the development and creation of an industrial hemp industry in Hawaii, including the potential of developing and creating this industry in Hawaii;
- (4) Deleting the other specifics of what the study is to include; and
- (5) Requesting that certified copies of this resolution be sent to the Director of ADC, the Director of Business, Economic Development, and Tourism, the Interim Dean of CTAHR, and the Director of LRB.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 71, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 71, H.D. 2.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1624-96 Legislative Management on H.C.R. No. 63

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the economic potential, problems, and other related matters of growing nonpsychoactive industrial cannabis hemp as an agricultural product in Hawaii.

The Convener of the Hawai'i Drug Policy Options Group and two testifiers submitted testimony in support of this concurrent resolution. The County of Hawaii submitted comments, indicating that it would be supportive of this measure if the measure were to assess hemp's potential as a food, fuel, and fiber source. Comments were submitted by LRB and an interested individual. Testimony in opposition to this concurrent resolution was received from the Department of Agriculture (DOA) and the Department of Public Safety (PSD).

Upon consideration, your Committee has amended this concurrent resolution by:

- (1) Requesting the Agribusiness Development Corporation (ADC), rather than LRB, to:
 - (a) Conduct a study on the economic potential, problems, and other related matters of growing nonpsychoactive industrial cannabis hemp as an agricultural product in Hawaii; and
 - (b) Submit a report of its findings to the Legislature prior to the 1997 Regular Session;
- (2) Changing the title of the concurrent resolution to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AGRIBUSINESS DEVELOPMENT CORPORATION TO CONDUCT A STUDY ON THE ECONOMIC POTENTIAL, PROBLEMS, AND OTHER RELATED MATTERS OF GROWING NONPSYCHOACTIVE INDUSTRIAL CANNABIS HEMP AS AN AGRICULTURAL PRODUCT IN HAWAII";
- (3) Specifying that in conducting the study, the ADC is to:
 - (a) Work in conjunction with the Department of Business, Economic Development, and Tourism, the Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR), and LRB; and
 - (b) Set forth problems, barriers, and concerns involved in the development and creation of an industrial hemp industry in Hawaii, including the potential of developing and creating this industry in Hawaii;
- (4) Deleting the other specifics of what the study is to include; and
- (5) Requesting that certified copies of this concurrent resolution be sent to the Director of ADC, the Director of Business, Economic Development, and Tourism, the Interim Dean of CTAHR, and the Director of LRB.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 63, H.D. 2.

Signed by all members of the Committee except Representatives Say, Okamura and Souki.

SCRep. 1625-96 Judiciary on H.R. No. 34

The purpose of this resolution is to request that Congress expand and grant permanent status to the temporary visa waiver program.

Testimony in support of this measure was submitted by the Department of Transportation, the Mayor of the City and County of Honolulu, the Hawaii Hotel Association, and a member of 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 concurs with the intent and purpose of H.R. No. 34 and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1626-96 Judiciary on H.C.R. No. 27

The purpose of this concurrent resolution is to request that Congress expand and grant permanent status to the temporary visa waiver program.

Testimony in support of this measure was submitted by the Department of Transportation, the Mayor of the City and County of Honolulu, the Hawaii Hotel Association, and a member of 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 concurs with the intent and purpose of H.C.R. No. 27 and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1627-96 Judiciary on H.R. No. 51

The purpose of this resolution is to request that the Department of Education (DOE) develop a handbook to provide clear, practical guidance to school principals concerning religious and cultural expression in public schools.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 51, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1628-96 Judiciary on H.C.R. No. 41

The purpose of this concurrent resolution is to request that the Department of Education (DOE) develop a handbook to provide clear, practical guidance to school principals concerning religious and cultural expression in public schools.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 41, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1629-96 Judiciary on H.R. No. 52

The purpose of this resolution is to express strong disapproval to the Legislature of the Commonwealth of the Northern Mariana Islands for approving legislation establishing a six-month freeze in the local minimum wage.

Testimony in support of this measure was submitted by the Filipino Coalition for Solidarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 52, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1630-96 Judiciary on H.C.R. No. 42

The purpose of this concurrent resolution is to express strong disapproval to the Legislature of the Commonwealth of the Northern Mariana Islands for approving legislation establishing a six-month freeze in the local minimum wage.

Testimony in support of this measure was submitted by the Filipino Coalition for Solidarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1631-96 Judiciary on H.R. No. 215

The purpose of this resolution is to proclaim native speakers of the Hawaiian language to be living treasures of the State.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and the Association of Hawaiian Civic Clubs. The Department of Education commented on the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 215 and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1632-96 Judiciary on H.C.R. No. 220

The purpose of this concurrent resolution is to proclaim native speakers of the Hawaiian language to be living treasures of the State.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and the Association of Hawaiian Civic Clubs. The Department of Education commented on the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220 and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1633-96 Judiciary on H.R. No. 243

The purpose of this resolution is to ensure a safe, healthy school environment by urging that negotiations be conducted between the Department of Education and the United Public Workers Union so that smoking may be prohibited on public school campuses.

Testimony in support of this measure was submitted by the Department of Education, the American Cancer Society, and the Hawaii Medical Association.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 243 and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1634-96 Judiciary on H.C.R. No. 253

The purpose of this concurrent resolution is to ensure a safe, healthy school environment by urging that negotiations be conducted between the Department of Education and the United Public Workers Union so that smoking may be prohibited on public school campuses.

Testimony in support of this measure was submitted by the Department of Education, the American Cancer Society, and the Hawaii Medical Association.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 253 and recommends its adoption.

Signed by all members of the Committee except Representatives Tom, Hamakawa, McMurdo, Menor, Saiki, Yamane and Thielen.

SCRep. 1635-96 Higher Education and the Arts on H.R. No. 112

The purpose of this resolution is to request the East-West Center to become more involved in international commerce by utilizing its facilities for more frequent conferences on international business, and allowing agencies and entities to use its facilities for international commerce activities.

The Department of Business, Economic Development, and Tourism submitted testimony in favor of this measure. The Director of Public Affairs at the East-West Center submitted comments on this measure.

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

- (1) Adding that the East-West Center contributes \$32,000,000 annually to Hawaii's economy through salaries, grants to students, local purchases, and the sponsorship of approximately 2,000 professional exchange visitors;
- (2) Adding that the State has benefited from the East-West Center's sponsorship of forums such as the lecture by Philippine President Fidel Ramos, the Consortium for Teaching Asia and the Pacific in the Schools, and other intellectual and educational programs;
- (3) Adding that international economic competition is affecting the economy and well-being of all countries in Asia and the Pacific, especially impacting on Hawaii which is so dependent on its international service economy;
- (4) Stating that the East-West Center has served as the first Secretariat of the United States Asia Pacific Economic Cooperation Study Center Consortium;

- (5) Changing the title to read "EXPRESSING STRONG SUPPORT OF THE EAST-WEST CENTER AND URGING IT TO BECOME MORE INVOLVED IN INTERNATIONAL COMMERCIAL ISSUES AND RELATIONS";
- (6) Expressing strong support of the East-West Center for bringing international knowledge and understanding among countries in Asia and the Pacific;
- (7) Conveying deep appreciation to the East-West Center for its contributions to the economic, education, and intellectual life of the State of Hawaii;
- (8) Encouraging the East-West Center to capitalize on its proven conference experience, research capability, and existing conference facilities to expand and intensify its involvement in international commercial issues and relations;
- (9) Stating that the University of Hawaii, the appropriate state departments, the Chamber of Commerce, the Hawaii Visitors Bureau, and other concerned organizations assist the East-West Center in its involvement in international commercial issues and relations; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity 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 concurs with the intent and purpose of H.R. No. 117, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 117, H.D. 2.

Signed by all members of the Committee except Representatives Morihara, Stegmaier, Tarnas, Yonamine and Halford.

SCRep. 1636-96 Higher Education and the Arts on H.C.R. No. 112

The purpose of this concurrent resolution is to request the East-West Center to become more involved in international commerce by utilizing its facilities for more frequent conferences on international business, and allowing agencies and entities to use its facilities for international commerce activities.

The Department of Business, Economic Development, and Tourism submitted testimony in favor of this measure. The Director of Public Affairs at the East-West Center submitted comments on this measure.

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

- (1) Adding that the East-West Center contributes \$32,000,000 annually to Hawaii's economy through salaries, grants to students, local purchases, and the sponsorship of approximately 2,000 professional exchange visitors;
- (2) Adding that the State has benefited from the East-West Center's sponsorship of forums such as the lecture by Philippine President Fidel Ramos, the Consortium for Teaching Asia and the Pacific in the Schools, and other intellectual and educational programs;
- (3) Adding that international economic competition is affecting the economy and well-being of all countries in Asia and the Pacific, especially impacting on Hawaii which is so dependent on its international service economy;
- (4) Stating that the East-West Center has served as the first Secretariat of the United States Asia Pacific Economic Cooperation Study Center Consortium;
- (5) Changing the title to read "EXPRESSING STRONG SUPPORT OF THE EAST-WEST CENTER AND URGING IT TO BECOME MORE INVOLVED IN INTERNATIONAL COMMERCIAL ISSUES AND RELATIONS";
- (6) Expressing strong support of the East-West Center for bringing international knowledge and understanding among countries in Asia and the Pacific;
- (7) Conveying deep appreciation to the East-West Center for its contributions to the economic, education, and intellectual life of the State of Hawaii;
- (8) Encouraging the East-West Center to capitalize on its proven conference experience, research capability, and existing conference facilities to expand and intensify its involvement in international commercial issues and relations;
- (9) Stating that the University of Hawaii, the appropriate state departments, the Chamber of Commerce, the Hawaii Visitors Bureau, and other concerned organizations assist the East-West Center in its involvement in international commercial issues and relations; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity 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 concurs with the intent and purpose of H.C.R. No. 112, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 112, H.D. 2.

Signed by all members of the Committee except Representatives Morihara, Stegmaier, Tarnas, Yonamine and Halford.

SCRep. 1637-96 Education on H.R. No. 283

The purpose of this resolution is to request the Department of Education (DOE) and the Board of Education to name a public school on the Waianae Coast in honor of Herbert K. Pililaau.

Testifying in support of the measure were the Department of Defense, the Veterans of Foreign Wars, Post 12 of the American Legion, and three individuals.

DOE testified that the issue of re-naming an existing school must be raised at the community level, and requested that the interested parties work with the schools in the area.

Your Committee finds that Herbert K. Pililaau, a resident of Waianae, was the first serviceman from Hawaii to receive the Congressional Medal of Honor, as well as other medals for bravery. On September 17, 1951, he volunteered to cover the retreat of his company from Heartbreak Ridge in Korea when it was ordered to withdraw because its ammunition had become practically exhausted. Armed with only his automatic rifle and grenades, PFC Pililaau repelled wave after wave of enemy forces. When his ammunition was spent, he engaged the enemy in hand-to-hand combat, courageously fighting with his trench knife and bare fists until finally overcome and mortally wounded. When the position was subsequently retaken, more than forty enemy dead were counted in the area he had so valiantly defended.

The courage displayed by Herbert K. Pililaau should be remembered and honored. The naming of a public school in the Waianae area would be a living testament to a true hero.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 283 and recommends its adoption.

Signed by all members of the Committee except Representatives Morihara, Takamine, Takumi, Yonamine and Halford.

SCRep. 1638-96 Education on H.C.R. No. 300

The purpose of this concurrent resolution is to request the Department of Education (DOE) and the Board of Education to name a public school on the Waianae Coast in honor of Herbert K. Pililaau.

Testifying in support of the measure were the Department of Defense, the Veterans of Foreign Wars, Post 12 of the American Legion, and three individuals.

DOE testified that the issue of re-naming an existing school must be raised at the community level, and requested that the interested parties work with the schools in the area.

Your Committee finds that Herbert K. Pililaau, a resident of Waianae, was the first serviceman from Hawaii to receive the Congressional Medal of Honor, as well as other medals for bravery. On September 17, 1951, he volunteered to cover the retreat of his company from Heartbreak Ridge in Korea when it was ordered to withdraw because its ammunition had become practically exhausted. Armed with only his automatic rifle and grenades, PFC Pililaau repelled wave after wave of enemy forces. When his ammunition was spent, he engaged the enemy in hand-to-hand combat, courageously fighting with his trench knife and bare fists until finally overcome and mortally wounded. When the position was subsequently retaken, more than forty enemy dead were counted in the area he had so valiantly defended.

The courage displayed by Herbert K. Pililaau should be remembered and honored. The naming of a public school in the Waianae area would be a living testament to a true hero.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 300 and recommends its adoption.

Signed by all members of the Committee except Representatives Morihara, Takamine, Takumi, Yonamine and Halford.

SCRep. 1639-96 Finance on H.R. No. 4

The purpose of this resolution is to request the Board of Education, the City and County of Honolulu and the Kaimuki Neighborhood Board No. 4 to assist in identifying and securing a site to establish a community/senior citizen center for the Kaimuki community.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 4, H.D. 1, and recommends its adoption.

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

SCRep. 1640-96 Finance on H.C.R. No. 5

The purpose of the concurrent resolution is to request the Board of Education, the City and County of Honolulu and the Kaimuki Neighborhood Board No. 4 to assist in identifying and securing a site to establish a community/senior citizen center for the Kaimuki community.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 5, H.D. 1, and recommends its adoption.

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

SCRep. 1641-96 Finance on H.R. No. 17

The purpose of this resolution is to support the efforts of the coordinating group on alien pest species and urge support for existing and new pest eradication and prevention programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 17 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1642-96 Finance on H.C.R. No. 16

The purpose of this concurrent resolution is to support the efforts of the coordinating group on alien pest species and urge support for existing and new pest eradication and prevention programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1643-96 Finance on H.R. No. 28

The purpose of this resolution is to request the continued support of the Department of Education to work in conjunction with the youth of the First Representative District and community agencies in the area to develop community-based youth programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 28 and recommends its adoption.

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

SCRep. 1644-96 Finance on H.C.R. No. 24

The purpose of this concurrent resolution is to request the continued support of the Department of Education to work in conjunction with the youth of the First Representative District and community agencies in the area to develop community-based youth programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24 and recommends its adoption.

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

SCRep. 1645-96 Finance on H.R. No. 32

The purpose of this resolution is to request a security plan for the State Capitol.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 32 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1646-96 Finance on H.C.R. No. 26

The purpose of this concurrent resolution is to request a security plan for the State Capitol.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 26 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1647-96 Finance on H.R. No. 50

The purpose of this resolution is to request each county to adopt the most current standards for masonry and conventional light-framed construction in high wind areas upon their publication by the International Conference of Building Officials in the Uniform Building Code.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 50 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1648-96 Finance on H.C.R. No. 40

The purpose of this concurrent resolution is to request each county to adopt the most current standards for masonry and conventional light-framed construction in high wind areas upon their publication by the International Conference of Building Officials in the Uniform Building Code.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1649-96 Finance on H.R. No. 53

The purpose of this resolution is to request a feasibility study of transferring the management of the State Capitol from the Department of Accounting and General Services to the Legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 53, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1650-96 Finance on H.C.R. No. 43

The purpose of this concurrent resolution is to request a feasibility study of transferring the management of the State Capitol from the Department of Accounting and General Services to the Legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1651-96 Finance on H.R. No. 56

The purpose of this resolution is to request the State Department of Agriculture to expedite the plant import rulemaking process and finalize the memorandum of agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service with respect to post entry inspections of specific plant species.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1652-96 Finance on H.C.R. No. 45

The purpose of this concurrent resolution is to request the State Department of Agriculture to expedite the plant import rulemaking process and finalize the memorandum of agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service with respect to post entry inspections of specific plant species.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1653-96 Finance on H.R. No. 58

The purpose of this resolution is to urge the State Department of Health to actively assist and support mental health self-help and support groups.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 58, H.D. 1, and recommends its adoption.

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

SCRep. 1654-96 Finance on H.C.R. No. 49

The purpose of this concurrent resolution is to urge the State Department of Health to actively assist and support mental health self-help and support groups.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49, H.D. 1, and recommends its adoption.

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

SCRep. 1655-96 Finance on H.R. No. 61

The purpose of this resolution is to authorize the Board of Land and Natural Resources to lease certain submerged lands at Manele Bay, Hawaii to Lanai Company, Inc., for marina purposes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1656-96 Finance on H.C.R. No. 47

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to lease certain submerged lands at Manele Bay, Hawaii to Lanai Company, Inc., for marina purposes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1657-96 Finance on H.R. No. 65

The purpose of this resolution is to approve and authorize the establishment of state-province relations of friendship between the State of Hawaii of the United States of America and the Province of Cebu of the Republic of the Philippines.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 65, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1658-96 Finance on H.C.R. No. 55

The purpose of this concurrent resolution is to approve and authorize the establishment of state-province relations of friendship between the State of Hawaii of the United States of America and the Province of Cebu of the Republic of the Philippines.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1659-96 Finance on H.C.R. No. 61

The purpose of this concurrent resolution is to affirm the need for a public-private program that adheres to certain principles of long-term care to address the long-term care needs of the residents of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 61 and recommends its adoption.

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

SCRep. 1660-96 Finance on H.R. No. 73

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to develop an overall Health Tourism strategy for the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 73, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1661-96 Finance on H.C.R. No. 67

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to develop an overall Health Tourism strategy for the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1662-96 Finance on H.R. No. 78

The purpose of this resolution is to request the Governor of the State of Hawaii to encourage all state agencies involved in the cultivation or maintenance of landscapes or other types of vegetation to purchase locally manufactured soil enhancement materials.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 78 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1663-96 Finance on H.C.R. No. 73

The purpose of this concurrent resolution is to request the Governor of the State of Hawaii to encourage all state agencies involved in the cultivation or maintenance of landscapes or other types of vegetation to purchase locally manufactured soil enhancement materials.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 73 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1664-96 Finance on H.R. No. 79

The purpose of this resolution is to request the Department of Education to convene a School Bus Safety Task Force for the Island of Kauai.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1665-96 Finance on H.C.R. No. 74

The purpose of this concurrent resolution is to request the Department of Education to convene a School Bus Safety Task Force for the Island of Kauai.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 74, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1666-96 Finance on H.R. No. 89

The purpose of this resolution is to request the creation of an interagency task force on food and nutrition assistance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 89, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1667-96 Finance on H.C.R. No. 84

The purpose of this concurrent resolution is to request the creation of an interagency task force on food and nutrition assistance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 84, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1668-96 Finance on H.R. No. 119

The purpose of this resolution is to support the Waikiki Yacht Club for its community and youth activities and its lease extension with 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 concurs with the intent and purpose of H.R. No. 119 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1669-96 Finance on H.C.R. No. 114

The purpose of this concurrent resolution is to support the Waikiki Yacht Club for its community and youth activities and its lease extension with 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 concurs with the intent and purpose of H.C.R. No. 114 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1670-96 Finance on H.R. No. 137

The purpose of this resolution is to request the Departments of Transportation and Agriculture to consider incorporating into their design of the cargo facility at the Kahului Airport, an agriculture inspection freight facility.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 137 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1671-96 Finance on H.C.R. No. 136

The purpose of this concurrent resolution is to request the Departments of Transportation and Agriculture to consider incorporating into their design of the cargo facility at the Kahului Airport, an agriculture inspection freight facility.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 136 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1672-96 Finance on H.R. No. 147

The purpose of this resolution is to request the establishment of a commission to study the acquisition and placement of a statues of Henry Opukaha'ia in the State Capitol district.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 147, H.D. 1, and recommends its adoption.

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

SCRep. 1673-96 Finance on H.C.R. No. 146

The purpose of this concurrent resolution is to request the establishment of a commission to study the acquisition and placement of a statue of Henry Opukaha'ia in the State Capitol district.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146, H.D. 1, and recommends its adoption.

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

SCRep. 1674-96 Finance on H.R. No. 191

The purpose of this resolution is to request the Department of Education to work with the President of the Senate and the Speaker of the House of Representatives to establish a Legislative Internship Program for secondary school students beginning with the 1996-1997 school year.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 191 and recommends its adoption.

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

SCRep. 1675-96 Finance on H.C.R. No. 191

The purpose of this concurrent resolution is to request the Department of Education to work with the President of the Senate and the Speaker of the House of Representatives to establish a Legislative Internship Program for secondary school students beginning with the 1996-1997 school year.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 191 and recommends its adoption.

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

SCRep. 1676-96 Finance on H.R. No. 195

The purpose of this resolution is to request the Department of Transportation to create a Task Force to develop an enforcement program, utilizing volunteers to patrol and ticket illegally parked vehicles in spaces designated for the sole use of persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 195, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1677-96 Finance on H.C.R. No. 195

The purpose of this concurrent resolution is to request the Department of Transportation to create a Task Force to develop an enforcement program, utilizing volunteers to patrol and ticket illegally parked vehicles in spaces designated for the sole use of persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1678-96 Finance on H.R. No. 196

The purpose of this resolution is to urge the Department of Land and Natural Resources to implement "catch and release" regulations for the Wahiawa Public Fishing Area.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 196, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1679-96 Finance on H.C.R. No. 197

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources to implement "catch and release" regulations for the Wahiawa Public Fishing Area.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 197, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1680-96 Finance on H.R. No. 197

The purpose of this resolution is to request the Department of Transportation to facilitate and promote the use of volunteer groups in the replanting of designated roadside areas to low growth, low maintenance vegetation under an integrated vegetation management (IVM) program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 197 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1681-96 Finance on H.C.R. No. 198

The purpose of this concurrent resolution is to request the Department of Transportation to facilitate and promote the use of volunteer groups in the replanting of designated roadside areas to low growth, low maintenance vegetation under an integrated vegetation management (IVM) program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 198 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1682-96 Finance on H.R. No. 216

The purpose of this resolution is to recognize the significant contributions of Hawaii's agriculture industry to the State and urge the agricultural community to update and implement the Hawaii Agriculture 2000 Vision plan.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 216, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1683-96 Finance on H.C.R. No. 221

The purpose of this concurrent resolution is to recognize the significant contributions of Hawaii's agriculture industry to the State and urge the agricultural community to update and implement the Hawaii Agriculture 2000 Vision plan.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 221, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1684-96 Finance on H.R. No. 229

The purpose of this resolution is to support and encourage the continuation of the benchmarking process of Ke Ala Hoku to ensure a better quality of life for the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 229 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1685-96 Finance on H.C.R. No. 234

The purpose of this concurrent resolution is to support and encourage the continuation of the benchmarking process of Ke Ala Hoku to ensure a better quality of life for the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 234 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1686-96 Finance on H.R. No. 232

The purpose of this resolution is to request the Governor to establish a privatization commission to review and evaluate privatization of state government functions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 232, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1687-96 Finance on H.C.R. No. 237

The purpose of this concurrent resolution is to request the Governor to establish a privatization commission to review and evaluate privatization of state government functions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 237, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1688-96 Finance on H.R. No. 237

The purpose of this resolution is to urge the Departments of Education and Transportation to continue their support of the Hawaii Bicycling League's "Bike/Ed Hawaii Program".

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 237 and recommends its adoption.

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

SCRep. 1689-96 Finance on H.C.R. No. 246

The purpose of this concurrent resolution is to urge the Departments of Education and Transportation to continue their support of the Hawaii Bicycling League's "Bike/Ed Hawaii Program".

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 246 and recommends its adoption.

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

SCRep. 1690-96 Finance on H.R. No. 244

The purpose of this resolution is to request a study on video conferencing out-of-state witnesses to facilitate the prosecution of criminals who target Hawaii visitors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 244, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1691-96 Finance on H.C.R. No. 254

The purpose of this concurrent resolution is to request a study on video conferencing out-of-state witnesses to facilitate the prosecution of criminals who target Hawaii visitors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 254, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1692-96 Finance on H.R. No. 256

The purpose of this resolution is to request the Department of Land and Natural Resources to prepare a plan to restore the Kaneana (Makua) Cave site on Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 256 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1693-96 Finance on H.C.R. No. 265

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to prepare a plan to restore the Kaneana (Makua) Cave site on Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 265 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1694-96 Finance on H.R. No. 271

The purpose of this resolution is to support the Maui Task Force addressing community concerns with respect to Maui Community Correctional Center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 271 and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1695-96 Finance on H.C.R. No. 277

The purpose of this concurrent resolution is to urge the establishment of a public/private partnership for the coordination and delivery of early childhood education and care services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 277, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1696-96 Finance on H.R. No. 269

The purpose of this resolution is to request a management audit of the administration and functioning of the special compensation fund of the workers' compensation system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 269 and recommends its adoption.

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

SCRep. 1697-96 Finance on H.C.R. No. 284

The purpose of this concurrent resolution is to request a management audit of the administration and functioning of the special compensation fund of the workers' compensation system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 284 and recommends its adoption.

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

SCRep. 1698-96 Finance on H.R. No. 282

The purpose of this resolution is to request a study of the categories and priorities of public notices now required by State law.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 282, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1699-96 Finance on H.C.R. No. 299

The purpose of this concurrent resolution is to request a study of the categories and priorities of public notices now required by State law.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 299, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1700-96 Finance on H.R. No. 292

The purpose of this resolution is to request the Department of Human Resources Development to develop a comprehensive civil service reform plan.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 292, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1701-96 Finance on H.C.R. No. 315

The purpose of this concurrent resolution is to request the Department of Human Resources Development to develop a comprehensive civil service reform plan.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 315, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1702-96 Finance on H.R. No. 300

The purpose of this resolution is to request the formulation of a plan or recommendation that relates to a shared management information system for criminal justice clients receiving drug or alcohol abuse treatment.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 300, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1703-96 Finance on H.C.R. No. 328

The purpose of this concurrent resolution is to request the formulation of a plan or recommendation that relates to a shared management information system for criminal justice clients receiving drug or alcohol abuse treatment.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 328, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1704-96 Finance on H.R. No. 308

The purpose of this resolution is to request a study of the appropriate criteria under which utility lines shall be placed underground, and of the appropriate means of financing any cost differential between overhead and underground placement of utility lines.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 308, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.
(Representative Kanoho voted no.)

SCRep. 1705-96 Finance on H.C.R. No. 338

The purpose of this concurrent resolution is to request a study of the appropriate criteria under which utility lines shall be placed underground, and of the appropriate means of financing any cost differential between overhead and underground placement of utility lines.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 338, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.
(Representative Kanoho voted no.)

SCRep. 1706-96 Judiciary on H.R. No. 275

The purpose of this resolution is to announce the Legislature's support of the Pai Ohana's efforts to protect and preserve the traditional and customary practices of their kapuna on their ancestral lands.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the Protect Kohanaiki Ohana, the Native Hawaiian Legal Corporation, the Council of Hawaiian Organizations, the Aupua'a Action Alliance, and members of the public. The Attorney General, Ka Lahui Hawaii and Ka Pakaukau commented on the measure. The Department of Land and Natural Resources opposed the measure.

Your Committee has amended the resolution by:

- (1) Amending the title to read: "REQUESTING THE FEDERAL GOVERNMENT TO RECOGNIZE AND INCORPORATE THE NON-CONFRONTATIONAL ASPECTS OF TRADITIONAL HAWAIIAN CULTURE WITH RESPECT TO ITS DEALINGS WITH THE PAI OHANA'S CULTURAL ACTIVITIES AT AI'OPIO";
- (2) Clarifying that the Pai Ohana have been caretakers of the Ai'opio fishtrap and heiau;
- (3) Deleting factual, legal, or conclusory statements with respect to the civil action between the Pai Ohana and the federal government including statements regarding the holding in the Public Access Shoreline Hawaii v. Hawaii County Planning Commission case;
- (4) Clarifying that the Pai Ohana have played a stewardship role with respect to the Pu'uoina heiau and the Ai'opio fishtrap which is similar in concept to the stewardship role of national park rangers in the care and maintenance of state parks;
- (5) Encouraging the National Park Service and the State to continue negotiations until a mutually agreeable settlement is reached;
- (6) Adding the Governor, Attorney General, and Mahealani Pai to the agencies or persons to receive a certified copy of the resolution; and
- (7) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 275, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 275, H.D. 2.

Signed by all members of the Committee except Representatives Tom, Chun Oakland, Menor, Saiki, Kawanakoa and Thielen.

SCRep. 1707-96 Judiciary on H.C.R. No. 289

The purpose of this concurrent resolution is to announce the Legislature's support of the Pai Ohana's efforts to protect and preserve the traditional and customary practices of their kapuna on their ancestral lands.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the Protect Kohanaiki Ohana, the Native Hawaiian Legal Corporation, the Council of Hawaiian Organizations, the Aupua'a Action Alliance, and members of the public. The Attorney General, Ka Lahui Hawaii and Ka Pakaukau commented on the measure. The Department of Land and Natural Resources opposed the measure.

Your Committee has amended the concurrent resolution by:

- (1) Amending the title to read: "REQUESTING THE FEDERAL GOVERNMENT TO RECOGNIZE AND INCORPORATE THE NON-CONFRONTATIONAL ASPECTS OF TRADITIONAL HAWAIIAN CULTURE WITH RESPECT TO ITS DEALINGS WITH THE PAI OHANA'S CULTURAL ACTIVITIES AT AI'OPIO";
- (2) Clarifying that the Pai Ohana have been caretakers of the Ai'opio fishtrap and heiau;
- (3) Deleting factual, legal, or conclusory statements with respect to the civil action between the Pai Ohana and the federal government including statements regarding the holding in the Public Access Shoreline Hawaii v. Hawaii County Planning Commission case;
- (4) Clarifying that the Pai Ohana have played a stewardship role with respect to the Pu'uoina heiau and the Ai'opio fishtrap which is similar in concept to the stewardship role of national park rangers in the care and maintenance of state parks;
- (5) Encouraging the National Park Service and the State to continue negotiations until a mutually agreeable settlement is reached;
- (6) Adding the Governor, Attorney General, and Mahealani Pai to the agencies or persons to receive a certified copy of the concurrent resolution; and
- (7) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 289, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 289, H.D. 2.

Signed by all members of the Committee except Representatives Tom, Chun Oakland, Menor, Saiki, Kawanakoa and Thielen.

SCRep. 1708-96 Finance on H.R. No. 279

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to conduct an analysis of the shoreline property at Kamakahonu, Kailua-Kona, to audit certain lands situated near the site, and to withdraw its revocable permit number S-6754.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 279, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1709-96 Finance on H.R. No. 82

The purpose of this resolution is to request the implementation of the recommendations of the United States Public Health Service regarding HIV counseling and voluntary testing for pregnant women.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 82, H.D. 1, and recommends its adoption.

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

SCRep. 1710-96 Finance on H.C.R. No. 77

The purpose of this concurrent resolution is to request the implementation of the recommendations of the United States Public Health Service regarding HIV counseling and voluntary testing for pregnant women.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, H.D. 1, and recommends its adoption.

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

SCRep. 1711-96 Finance on H.R. No. 152

The purpose of this resolution is to urge the Governor to reaffirm the trust responsibility of the state for improving the health status of Hawaiians to the highest possible level.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 152, H.D. 1, and recommends its adoption.

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

SCRep. 1712-96 Finance on H.C.R. No. 150

The purpose of this concurrent resolution is to urge the Governor to reaffirm the trust responsibility of the state for improving the health status of Hawaiians to the highest possible level.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150, H.D. 1, and recommends its adoption.

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

SCRep. 1713-96 Finance on H.R. No. 157

The purpose of this resolution is to support the efforts of the Hawaii Congressional Delegation to moor the U.S.S. Missouri (BB-63) in Battleship Row.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 157, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1714-96 Finance on H.C.R. No. 155

The purpose of this concurrent resolution is to support the efforts of the Hawaii Congressional Delegation to moor the U.S.S. Missouri (BB-63) in Battleship Row.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 155, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chang.

SCRep. 1715-96 Finance on H.R. No. 160

The purpose of this resolution is to request the Department of Health and the Department of Human Services to review their current priorities and redirect resources towards primary prevention activities, particularly in relation to improving the health status of Hawaiians.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 160 and recommends its adoption.

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

SCRep. 1716-96 Finance on H.C.R. No. 159

The purpose of this concurrent resolution is to request the Department of Health and the Department of Human Services to review their current priorities and redirect resources towards primary prevention activities, particularly in relation to improving the health status of Hawaiians.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 159 and recommends its adoption.

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

SCRep. 1717-96 Finance on H.R. No. 131

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs to conduct a study on whether licensed and certified appraisers should conduct all appraisals in conformance with the Uniform Standards of Professional Appraisals Practice (USPAP).

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 131, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 131, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1718-96 Finance on H.C.R. No. 130

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs to conduct a study on whether licensed and certified appraisers should conduct all appraisals in conformance with the Uniform Standards of Professional Appraisals Practice (USPAP).

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 130, H.D. 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1719-96 Energy and Environmental Protection on S.C.R. No. 188

The purpose of this resolution is to urge the Department of Health to review its rules, procedures, and variance criteria relating to the requirements for upgrading cesspools to individual wastewater technology for areas zoned for rural and agricultural uses.

The State has set a goal of eliminating the use of cesspools by the year 2000. However, it is evident that the municipal governments will not have the wastewater infrastructure or the resources to connect all residential areas of Hawaii onto sewer systems. This problem affects the outlying rural areas such as the North Shore, Waimanalo, and neighbor islands in particular. Homeowners are often faced with being required to upgrade their cesspools to septic tank technology when making property improvements despite the continued functionality of the cesspool.

Your Committee finds that the present regulations that require an upgrade to septic tank technology under certain conditions may be unduly burdensome to some residents. As such, a review of the regulations is an appropriate action for the Department of Health to undertake.

As affirmed by the records of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 188 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Takamine, Yamane and Yoshinaga.

SCRep. 1720-96 Energy and Environmental Protection on S.C.R. No. 126

The purpose of this resolution is to request the Governor to declare the month of April to be "Caring for the Earth Month", and to recognize the efforts for Earth Friendly Schools Hawaii-International.

Your Committee finds that environmental awareness through education is the most effective method of encouraging "environment friendly" habits. Your Committee also finds that while environmental regulation plays an important role in protecting the environment, environmental awareness is a proactive method of attaining the same end.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 and recommends its adoption.

Signed by all members of the Committee except Representatives Kanoho, Takamine, Yamane and Yoshinaga.

SCRep. 1721-96 Energy and Environmental Protection on S.C.R. No. 235

The purpose of this Senate Concurrent Resolution is to urge the Department of Health (DOH) to develop goals and objectives which advance the State's environmental policies by:

- (1) Making coastal waters safe and healthy;
- (2) Preserving, restoring, and protecting the quality of State streams, ponds, wetlands, estuaries, reservoirs, and artificial inland water bodies;
- (3) Protecting groundwater resources from contamination;
- (4) Protecting the land from contamination and rehabilitating contaminated lands relative to the risk associated with the contamination; and
- (5) Protecting air quality;

Testimony in support of the measure was received from the Department of Health and Hawaiian Electric Company.

Your Committee finds that the Department of Health has already written a draft version of its environmental goals and objectives. The Department is now conducting an on-going series of discussions on how to refine these goals with representatives of the private sector, environmental groups, and other interested members of the community.

Your Committee also finds that there have been many requests for the Department of Health to produce a list of Hawaii's most pressing environmental issues. This examination of the status and effectiveness of current environmental policies may prove helpful to both the Department and legislators in determining which areas need work and which are effectively meeting their intended purposes.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 235 and recommends its adoption.

Signed by all members of the Committee except Representatives Kanoho, Takamine, Yamane and Yoshinaga.

SCRep. 1722-96 Economic Development and Business Concerns on S.C.R. No. 43

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents, using the expertise of the University, to develop a comprehensive, diversified, sustainable economic base plan for the County of Hawaii, based on enhanced primary productivity.

Your Committee received testimony in support of the concurrent resolution from the Office of Hawaiian Affairs.

Your Committee finds that the development of a sustainable economic base plan for the County of Hawaii is consistent with the efforts of many community-based economic development organizations, including Hawaiian Homestead community associations which the Office of Hawaiian Affairs has worked with on the island of Hawaii.

Your Committee has amended this measure by:

- (1) Designating the Department of Business, Economic Development, and Tourism to develop the plan, instead of the University of Hawaii;
- (2) Deleting all references to the University of Hawaii; and
- (3) 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 Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 43, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 43, S.D. 1, H.D. 1.

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

SCRep. 1723-96 Economic Development and Business Concerns on S.C.R. No. 282

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the economic effect of shipboard casinos and pari-mutuel horse racing in Hawaii.

Comments were submitted by LRB. Testimony in opposition to this measure was received from the Attorney General and the Honolulu Police Department.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Department of Business, Economic Development, and Tourism, rather than LRB, to:
 - (a) Conduct the study; and

- (b) Submit a report of its findings and recommendations to the Legislature prior to the convening of the 1997 Regular Session;
- (2) Changing the title of the concurrent resolution to accurately reflect the "BE IT RESOLVED" clause and to read as follows: "REQUESTING A STUDY ON THE ECONOMIC IMPACTS OF SHIPBOARD CASINOS AND PARI-MUTUEL HORSE RACING IN HAWAII";
- (3) Deleting specific references as to what the study is to include;
- (4) Deleting LRB from receiving a certified copy of this concurrent resolution; 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 Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 282, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 282, S.D. 1, H.D. 1.

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

SCRep. 1724-96 Higher Education and the Arts on S.C.R. No. 168

The purpose of this concurrent resolution is to request the University of Hawaii (UH) at Manoa libraries, in partnership with the libraries throughout the UH system and UH's Information Technology Services Division, to develop a plan and a proposal for making the resources of Hamilton Library and other appropriate collections available on a systemwide and statewide basis through modern distributed digital storage systems and telecommunications technologies.

The University of Hawaii submitted testimony in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 168 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara and Yonamine.

SCRep. 1725-96 Higher Education and the Arts on S.C.R. No. 145

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents to reassess its application for tuition assistance process to ensure that all qualified students who need financial assistance to complete their degree will receive it.

The Office of Hawaiian Affairs submitted testimony in support of this measure. The University of Hawaii submitted comments on this measure.

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

- (1) Clarifying that the University of Hawaii Board of Regents reassess its application for tuition assistance process to ensure that qualified students who need financial assistance to complete their degree will receive it;
- (2) Deleting the requirement that the University of Hawaii Board of Regents devise a plan that includes specific measures which prevent median income students who may not qualify for conventional tuition assistance programs from being forced to drop out because of raised tuition; 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 Higher Education and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 145, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 145, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Morihara and Yonamine.

SCRep. 1726-96 Higher Education and the Arts on S.C.R. No. 267

The purpose of this concurrent resolution is to request the Chairperson and members of the State Foundation on Culture and the Arts (SFCA) to develop a plan that reflects the current fiscal situation and looks at other creative methods of funding, both public and private.

The Department of Accounting and General Services submitted testimony in support of the intent of this measure. Supportive testimony was submitted by several concerned individuals. Comments were submitted by the Honolulu Symphony Society.

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

- (1) Requesting the SFCA to form a task force with appropriate members, particularly those individuals who have testified before the House Committee on Higher Education and the Arts, to develop a strategic plan to foster collaborative efforts among arts communities, government, and the private sector and include new options for disseminating information to arts and cultural organizations throughout the State that incorporates current telecommunication methods such as Internet posting and facsimile broadcasting;
- (2) Changing the title to read "REQUESTING THE STATE FOUNDATION ON CULTURE AND THE ARTS TO COMMUNICATE WITH ARTS ORGANIZATIONS AND INDIVIDUAL ARTISTS IN AN OPEN AND TIMELY MANNER WITH INFORMATION THAT IS CONSISTENT AND ACCURATE";
- (3) Transmitting certified copies to the Comptroller and the SFCA with the request that this concurrent resolution be published in "Artreach", "Arch Hawaii", and other fora of communications within the arts community; 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 Higher Education and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 267, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 267, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Morihara and Yonamine.

SCRep. 1727-96 Agriculture on S.C.R. No. 171

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to initiate the development of a comprehensive agricultural water delivery management system for areas under consideration for large-scale diversified agriculture.

This measure also requests the DOA to initiate the development of such a system through cooperative efforts with the Department of Land and Natural Resources, the Agribusiness Development Corporation, the various county water boards, former plantation owners, and the U.S. Department of Agriculture Rural and Economic and Community Development Agency.

Your Committee recognizes that the closure of various sugar plantations throughout the State makes water delivery management for agricultural purposes a necessary and immediate concern for diversified agriculture to succeed.

Testimony in support of this concurrent resolution was received from the Hawaii Farm Bureau and the Big Island Papaya Growers Association. The DOA submitted testimony in support of the intent of this measure, provided that no costs will be incurred by the passage of this measure that will have an adverse effect on the priorities in its Executive Biennium Budget. The Board of Water Supply of the City and County of Honolulu also submitted testimony in support of the intent of the measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that current private landowners also be included in the effort to initiate development of a comprehensive agricultural water delivery management system; 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 171, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 171, H.D. 1.

Signed by all members of the Committee except Representatives Morihara and Halford.

SCRep. 1728-96 Agriculture on S.C.R. No. 186

The purpose of this concurrent resolution is to request the Department of Transportation (DOT), in conjunction with the Department of Business, Economic Development, and Tourism (DBEDT), to urge Matson Navigation Company and the Cattlemen's Council to develop a plan for shipping cattle to the U.S. West Coast market in conformance with the Jones Act.

Your Committee recognizes that the development of a plan to ship cattle in an efficient and cost-effective manner would facilitate the transport of these livestock to overseas markets.

Testimony in support of this measure was received from Matson Navigation Company, Inc., Sea-Land Service, Inc., the Seafarers International Union, and the Hawaii Farm Bureau. Comments were received from DBEDT and DOT. The Hawaii Cattlemen's Council submitted testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Requesting that the Department of Agriculture (DOA) also be involved in the cooperative effort to urge Matson Navigation Company and the Cattlemen's Council to develop a plan for the shipment of cattle;
- (2) Amending the title of the measure to read: "REQUESTING THE COORDINATION OF EFFORTS OF THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT OF BUSINESS, ECONOMIC

DEVELOPMENT, AND TOURISM, AND THE DEPARTMENT OF AGRICULTURE TO DEVELOP A PLAN FOR THE SHIPMENT OF HAWAII CATTLE TO THE UNITED STATES WEST COAST THAT IS CONSISTENT WITH SECTION 27 OF THE MERCHANT MARINE ACT, 1920";

- (3) Requesting that the DOA also be involved in the submittal of the progress report to the Legislature;
- (4) Requesting that the DOA receive a copy of this measure; and
- (5) Making technical, nonsubstantive amendments for purposes of 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 concurs with the intent and purpose of S.C.R. No. 186, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 186, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Morihara and Halford.

SCRep. 1729-96 Agriculture on S.C.R. No. 265

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to recommend a strategy, if feasible, to promote the State's coffee industry.

The DOA supported the intent of this concurrent resolution. The Hawaii Agriculture Research Center (HARC) submitted testimony in strong support of this measure. In its testimony, HARC emphasized the need to develop a promotional strategy to insure that Hawaii-grown coffee joins sugar and pineapple as a major source of new revenue for Hawaii's economy in the years ahead. Comments were also submitted by a State senator.

Your Committee finds that coffee was Hawaii's premier crop in the 1890s and was grown on the islands of Hawaii, Kauai, Maui, Molokai, and Oahu, with approximately 15,000 acres under cultivation. With the decline of the sugar and pineapple industries in the State, the potential for expanding Hawaii's coffee industry is promising for the following reasons:

- (1) To further diversify the agriculture industry in the State;
- (2) To create new jobs and generate other economic opportunities; and
- (3) To provide a steady and reliable source of revenue for Hawaii.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the DOA, in cooperation with the Hawaii Coffee Association, to recommend a strategy, if feasible, to promote locally-grown coffee to bolster the State's coffee industry;
- (2) Requesting the DOA to examine either:
 - (a) Locating the Specialty Coffee Institute in Hawaii; or
 - (b) Having Hawaii serve as the base for the green coffee research portion of its functions;
- (3) Requesting that the Hawaii Coffee Association receive a copy of this measure; and
- (4) 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 265, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 265, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Morihara and Halford.

SCRep. 1730-96 Intergovernmental Relations and International Affairs on S.C.R. No. 52

The purpose of this concurrent resolution is to request Hawaii's Congressional Delegation to take all possible steps to assure that the United States continues to support the United Nations through financial contributions.

Testimony in support of this measure was submitted by a private citizen who cited the fairness of requesting the United States to contribute its share to the United Nations in support of its efforts.

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 S.C.R. No. 52 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Hiraki and Ward.

SCRep. 1731-96 Intergovernmental Relations and International Affairs on S.C.R. No. 212

The purpose of this concurrent resolution is to support and authorize the establishment of a friendly exchange between the the State of Hawaii and the Prefecture of Hiroshima, Japan.

Testimony in support of this measure was submitted by the Japanese Chamber of Commerce which cited the previously well-established relationship between Hawaii and Japan. In addition, an established relationship between Hawaii and Hiroshima would provide the opportunity for further cultural and intellectual learning, as well as open the doors for more extensive business opportunities.

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 S.C.R. No. 212 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Hiraki and Ward.

SCRep. 1732-96 Hawaiian Affairs and Housing on S.C.R. No. 252

The purpose of the Concurrent Resolution is to request that the Department of Hawaiian Home Lands (DHHL) discuss with the United States Department of Defense (DOD) the possibility of having United States military forces engage in the construction of infrastructure on Hawaiian Home Lands as part of their regular training operations, and to request that the State Department of Defense assist the DHHL and act as a liaison between the DHHL and the DOD.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 252 and recommends that it be referred to the Committee on Public Safety and Military Affairs.

Signed by all members of the Committee except Representatives Saiki, Stegmaier and Kawanakoa.

SCRep. 1733-96 Hawaiian Affairs and Housing on S.C.R. No. 260

The purpose of this concurrent resolution is to request the President of the Senate and the Speaker of the House of Representatives of the Hawaii State Legislature to appoint a joint interim committee to coordinate efforts and facilitate dialogue between the State administration and Hawaiian sovereignty leaders on establishing a Hawaiian Nation Trading Region.

Testimony in support of this measure was received by a private citizen who sees the intent of this bill as pursuing a win-win opportunity for the State and the Hawaiian sovereignty movement. This opportunity would: broaden Hawaii's role in the global market place, particularly the Asian-Pacific market; provide a vehicle for the Hawaiian sovereignty groups to potentially resolve their land claims; and serve as a foundation for creating an attractive economic development area to benefit the nation of Hawaii, the Hawaiian people, and the State.

Your Committee believes that economic development and Hawaiian sovereignty can find a mutually beneficial place in Hawaii's future and that this bill would provide the first crucial step in that direction. It also believes that a trading region established by an independent Hawaiian nation and backed by the United States government, with attractive corporate and taxation laws, would be able to attract those companies seeking an attractive business environment while maintaining the continuing security and protection of the laws and legal redress of the United States.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 260, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Stegmaier and Kawanakoa.

SCRep. 1734-96 Hawaiian Affairs and Housing and Health on S.C.R. No. 191

The purpose of the concurrent resolution is to affirm the vital role that the Governor's Pacific Health Promotion and Development Center plays in improving Pacific Islander and Hawaiian health and to request the Governor to continue supporting the Center's activities.

Testimony in support of this measure was received from Papa Ola Lokahi and the Hemophilia Foundation of Hawaii.

The narrow nature of this concurrent resolution has lead your Committees to consider broadening the scope of issues addressed by incorporating the content of SCR 190 SD1.

Papa Ola Lokahi also had testified on SCR 190 SD1 which dealt with similar Hawaiian health issues. They wanted it to be emphasized that the intent and focus of SCR 190 is to bring state agencies together to address health issues and concerns as they relate to Hawaiians.

Papa Ola Lokahi also testified that the Department of Education is an excellent venue and medium by which to discuss and address the health concerns of Hawaiians and recommended it be included in the concurrent resolution as one of the State agencies participating in the discussion. They also suggested that all the agencies involved be requested to come together periodically in one place to collaborate on the issues.

Upon careful consideration, your Committees have amended this concurrent resolution by:

- (1) Deleting its content and inserting the language of HCR 150 HD1 which contains the intent of SCR 190 and the intent of SCR 191 HD1;

- (2) Amending the title to read: "URGING THE GOVERNOR TO REAFFIRM THE TRUST RESPONSIBILITY OF THE STATE FOR IMPROVING THE HEALTH STATUS OF HAWAIIANS TO THE HIGHEST POSSIBLE LEVEL;"
- (3) Including the Department of Education as one of the participating agencies;
- (4) Inserting another BE IT RESOLVED statement "[r]equesting that organizations and state agencies...come together at Papa Ola Lokahi's direction periodically throughout the year to discuss with the Native Hawaiian Health Care Systems how collaboratively their respective agencies can assist in improving the health status of Hawaiians in the State of Hawai'i;"
- (5) Amending the BE IT RESOLVED STATEMENT requesting the Hawaii Health Care Systems rather than the Department of Health "to finalize and submit for review an action plan and timetable for implementation of comprehensive health care initiatives for Hawaiians;" and
- (6) Making technical and nonsubstantive changes for the purposes of style and clarity;

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 191, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 191, H.D. 1.

Signed by all members of the Committees except Representatives Stegmaier, Anderson and Kawanakoa.

SCRep. 1735-96 Tourism on S.C.R. No. 108

The purpose of this resolution is to urge the U.S. Congress and the U.S. Department of State to negotiate and approve a visa waiver pilot program for citizens from the Republic of Korea visiting Hawaii for fifteen days or less.

Your Committee received testimony in support of this resolution from the Office of the Mayor of the City and County of Honolulu, Department of Business, Economic Development and Tourism, Department of Transportation, Hawaii Hotel Association, Hawaii Activities and Tours Association and Atlantis Submarines.

Your Committee finds that the temporary visa waiver program, which allows qualifying persons from participating countries to enter the United States for up to ninety days without a visa, has met with great success, resulting in tremendous increases in international visitor arrivals to Hawaii and the rest of the United States, providing economic stimulation and helping to reduce the nation's trade deficit.

Making the program permanent and expanding it to include Korea and Taiwan would remove one of the biggest obstacles to travel from those countries and would result in more productive visitor promotion efforts. By excluding Korea and Taiwan from the program, the United States needlessly reduces its presence in countries with rapidly growing personal incomes and great propensity to travel. Korea alone generates two thousand visa applications each working day, according to the United States Immigration Office in Seoul, Korea.

The 1995 White House Conference on Travel and Tourism identified permanency and expansion of the visa waiver program as priority objectives for facilitating international travel.

Your Committee revised this resolution by changing its title and removing its contents and inserting provisions as follows:

- (1) Urging Congress to give permanent status to the visa waiver program and expand it to include travelers from Asia, particularly Taiwan and Korea;
- (2) Urging Hawaii's congressional delegation to fully support the proposed extension and amendments to the visa waiver program; and
- (3) Transmitting certified copies to the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, members of Hawaii's congressional delegation, the U.S. Secretary of State and the U.S. Ambassador to Korea.

In addition, your Committee made 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 S.C.R. No. 108, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs, in the form attached hereto as S.C.R. No. 108, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1736-96 Tourism on S.C.R. No. 243

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to work with the Kohala Coast Resort Association, the Five Mountain Medical Community and other relevant medical, fitness and wellness, and resort organizations to prepare a plan to develop and promote health tourism on the Big Island.

Your Committee received testimony in support of this resolution from the Office of the Mayor of the County of Hawaii, Department of Business, Economic Development and Tourism, Hawaii Visitors Bureau, Health Quest, Kohala Coast Resort Association, and the Orchid at Mauna Lani Resort.

Your Committee finds that Hawaii's reputation for excellent healthcare places it in an advantageous position for entering the burgeoning health-related tourism field and that a coordinated effort involving healthcare providers, visitor industry promotion agencies and other groups will reap tremendous benefits if implemented in a timely and decisive manner.

Furthermore, the proposed plan would have greater effect if its scope encompassed the entire state, rather than a single area, and would complement the existing work on developing a statewide plan for the health and fitness segment of the visitor industry, already begun by the Departments of Business, Economic Development, and Tourism, and Health.

Your Committee revised this resolution by changing the title and body to request the Department of Business, Economic Development and Tourism to develop an overall health tourism strategy for the State of Hawaii, that includes but is not limited to:

- (1) Development of health tourism packages and programs (e.g., executive check-up packages; fitness and wellness packages, including alternative medicine treatments; international clinics) and implementation of these programs on Oahu, and the neighbor islands;
- (2) Development and distribution of a brochure in consultation with the Hawaii Visitors Bureau to promote Hawaii's health services;
- (3) Holding a series of meetings to showcase the individual medical centers in Hawaii and their areas of specialty in areas where the State has an overseas presence, specifically Japan, Hong Kong, and Taiwan;
- (4) Convening health-related seminars and conferences in Hawaii;
- (5) Development of a mechanism to enable the department to enter into contracts with health care facilities to implement and promote various health tourism programs;
- (6) An exploration of the possible methods to assist private organizations in the development of hospital/health care facilities, especially on the neighbor islands, that cater to tourists as well as residents if such development is deemed necessary; and
- (7) Development of a cost-benefit and feasibility analysis of health tourism.

In addition, the resolution requests a report to the Legislature on findings and recommendations twenty days prior to the beginning of the Regular Session of 1997, and directs transmittal of certified copies to the Director of Business, Economic Development, and Tourism, the Mayor of the County of Hawaii, the Mayor of the City and County of Honolulu, the Mayor of the County of Kauai, the Mayor of the County of Maui, and the President of the Hawaii Visitors Bureau. Your Committee also made 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 S.C.R. No. 243, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 243, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1737-96 Consumer Protection and Commerce on S.C.R. No. 246

The purpose of this resolution is to request the Hawaii Public Broadcasting Authority (HPBA) to develop, in consultation with other noncommercial public programming agencies, users, and constituencies, a strategic plan for becoming a community access licensee or other more suitable operational entity.

Testimony in support of the measure was received from the Hawaii Public Broadcasting Authority of the Department of Commerce and Consumer Affairs (DCCA) and the University of Hawaii.

Your Committee finds that the HPBA is experiencing significant budgetary restrictions from state and federal sources, while concurrently facing significant infrastructure upgrade requirements. Therefore, your Committee finds that it has become critical for the State and HPBA to evaluate HPBA's current and long-term needs against the current and future funding sources. This evaluation will determine whether HPBA should remain a state agency supported primarily through public funding, or whether it should establish a new operational structure which will enable it to pursue other sources of funding.

Your Committee has adopted the recommendations from HPBA and has amended this resolution by deleting "access" from references pertaining to becoming a community licensee. HPBA is currently committed to creating a plan that will establish Hawaii Public Television as a non-commercial Public Broadcasting Service (PBS) community licensee broadcaster. However, PBS licensees are required to be broadcasters, which entails the utilization of transmitters. Therefore, the deletion of "access" will ensure that Hawaii Public Television will not be narrowly defined as a non-broadcasting cable "access" channel.

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 concurs with the intent and purpose of S.C.R. No. 246, S.D. 1, as amended

herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 246, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Menor, Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1738-96 Consumer Protection and Commerce on S.C.R. No. 57

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to recommend an appropriate scope and work plan for the establishment of a Task Force for the review and study of all government regulation of contractors and the building industry.

The Contractors License Board testified that it had no objections to the measure. The LRB testified that it would do its best to comply with the requests of the measure.

After carefully considering the merits of the measure and the testimonies received, your Committee has amended the measure by:

- (1) Specifying that the membership of the Task Force include representatives from employee organizations;
- (2) Including all state laws and not only state licensing laws, as laws the LRB is to consider to review and study; and
- (3) 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 Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 57, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Menor, Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1739-96 Consumer Protection and Commerce and Judiciary on S.C.R. No. 77

The purpose of this concurrent resolution is to examine the options of arbitration for resolving disputes between associations of apartment owners, apartment owners, and their managing agents.

Testimony supporting the measure with amendments was received from the Real Estate Commission. The Hawaii Chapter of the Community Associations Institute and the Hawaii Independent Condominium and Cooperative Owners submitted comments.

After carefully considering the merits of the measure and the testimonies received, your Committees have amended the measure by:

- (1) Encouraging parties involved in disputes covered by the Condominium Property Regimes (CPR) law to utilize alternative dispute resolution techniques to resolve their disputes;
- (2) Specifying that the Legislative Reference Bureau's (LRB) report examine other means of alternative dispute resolution, including binding arbitration or processes similar to the Medical Claim Conciliation Panels or the Design Professional Conciliation Panel;
- (3) Correcting a misstatement regarding the cost effectiveness of arbitration;
- (4) Making revisions to more accurately reflect the CPR;
- (5) Specifying that, to make non-binding arbitration more meaningful, the LRB's report examine the possibility of assessing the losing party at the arbitration with all fees and costs incurred at the arbitration; and
- (6) 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 concur with the intent and purpose of S.C.R. No. 77, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 77, S.D. 2, H.D. 1.

Signed by all members of the Committees except Representatives Menor, Chun Oakland, Hamakawa, Hiraki, McMurdo, Saiki, Tom and Thielen.

SCRep. 1740-96 Consumer Protection and Commerce on S.C.R. No. 195

The purpose of this concurrent resolution is to request that the Cable Television Division of the Department of Commerce and Consumer Affairs (DCCA), in conjunction with other government agencies, the University of Hawaii, the public, educational, and governmental (PEG) access entities, and other interested parties, develop a comprehensive state strategy to:

- (1) Ensure the continued provision of quality PEG access and public television programming;

- (2) Expand distance learning capabilities and applications;
- (3) Facilitate the transition of Hawaii Public Television from a government entity to a non-profit organization;
- (4) Maximize the use of enhanced cable and television capacity; and
- (5) Enhance the statewide educational and government networking infrastructure.

The University of Hawaii, Information Technology Services, 'Olelo: The Corporation For Community Television ('Olelo), and Ho'ike: Kaula'i Community Television, Incorporated, testified in support of the resolution. The DCCA submitted comments on the measure.

The recent enactment of the Telecommunications Act of 1996 has resulted in the elimination of long-standing regulatory barriers between service providers within the communications industry, including telephone services, cable television, broadcast television, and wire services. Providers are now generally free to expand their operations beyond their traditional service areas, and to offer consumers an array of bundled and unbundled services and products. With increased deregulation and the convergence of communication services as a result of technological advancements, it is imperative that the State develop a comprehensive strategy to insure the continued availability of quality public interest programming and PEG access services.

The DCCA is currently in the process of evaluating issues relating to PEG access and other cable communication services in light of the recent federal legislation, and testified that developing the strategy contemplated by this resolution will facilitate its ongoing efforts.

Your Committee has adopted the recommendations of 'Olelo and amended this concurrent resolution by:

- (1) Deleting the phrase "and otherwise maximizing the use of enhanced cable and television capacity" from lines 35 and 36 of page 2 of the resolution because its meaning is ambiguous;
- (2) Adding the phrase "for public, educational and governmental purposes" to the end of the sentence on line 37, page 2 of the resolution for clarification; and
- (3) 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 Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 195, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 195, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Menor, Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1741-96 Consumer Protection and Commerce on S.C.R. No. 286

The purpose of this concurrent resolution is to request that the Office of the Legislative Auditor (Auditor), in conjunction with the Public Utilities Commission, the Consumer Advocate and other state entities and agencies, the counties, utilities, and community groups, conduct a comprehensive study of the issue of overhead versus underground utility lines placement and formulate alternative policy positions for consideration by the Legislature.

Testimony in support of the concurrent resolution was received from the Department of Transportation, Department of Health, GTE Hawaiian Telephone Incorporated, a member of the Board of Directors of Malama o Manoa, and concerned citizens. Testimony in support of the concurrent resolution's intent, with comments, were received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate), and Hawaiian Electric Company, Incorporated.

The issue of whether utility lines, including high-voltage electrical transmission lines, should be placed overhead or underground involves the consideration of many factors, including costs, economic and environmental impact, and public health and safety. Proponents of utility line undergrounding cite the potential health and safety risks posed by overhead lines, including exposure to electromagnetic field radiation, and the adverse impact on the State's natural resources, and industries such as tourism. Concerns about the cost of placing utility facilities underground and the distribution of these costs have been raised as potential barriers to requiring underground placement. Therefore, any legislative action taken on this issue must be based on a full understanding of all of the relevant factors in order to achieve a balance between competing concerns.

Upon careful consideration, your Committee has amended the concurrent resolution by:

- (1) Replacing the term "rate" on page 3 at lines 19, 20, and 22, with the word "customer", to clarify that a consideration of the cost differential issue should take into account the "customer base", rather than the "rate base";
- (2) Inserting the phrase "among taxpayers, utility customers, or any other appropriate entity" at the end of the sentence on page 4 at line 10, to clarify that taxpayers and ratepayers are two distinct groups with respect to the cost differential issue;
- (3) Including as additional issues for consideration in the Auditor's study:

- (a) The extent to which overhead to underground utilities conversion diverts and diminishes financial and human resources previously committed to other construction projects, thereby resulting in project delays; and
- (b) The appropriateness of permitting opposition to underground conversion from utility customers who will be adversely financially affected, but not benefitted by the conversion, to be a factor in considering its approval;
- (4) Designating the Consumer Advocate as one of the parties to receive a certified copy of this concurrent resolution; and
- (5) Making technical, nonsubstantive changes to the text for purposes of style, clarity, 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 concurs with the intent and purpose of S.C.R. No. 286, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 286, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Menor, Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1742-96 Consumer Protection and Commerce on S.C.R. No. 247

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to assist in devising a plan to assure the long-term viability of public, educational, and government (PEG) access cable television in Hawaii.

Testimony in support of the measure was received from Ho'ike: Kaua'i Community Television, Inc., and 'Olelo: The Corporation For Community Television. Testimony in support of the intent of the measure was received from the Cable Television Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that PEG access provides a wide diversity of valuable information to the public. The State has acknowledged the value of PEG access by requiring each of the cable companies doing business in Hawaii to devote channel space to PEG access.

Furthermore, your Committee finds that the facilitating of PEG access is implemented by nonprofit cable organizations and is supported by a franchise fee assessed upon the cable companies. However, anticipated changes in federal laws and competition may reduce revenues to the cable companies. The resulting impact could effectuate a reduction in funds available to the nonprofit cable organizations.

Therefore, your Committee is in accord with this resolution's request that DCCA work with the cable access organizations in order to ensure the viability of the organizations, and for DCCA to hold public hearings before implementing changes in the franchise fees.

Additionally, your Committee has adopted the recommendations from DCCA and has amended the paragraph requesting a report to the Legislature. This amendment deletes "each access organization" and replaces it with "PEG access services". Implementation of this amendment will properly maintain DCCA's scope as a general assistance authority.

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 concurs with the intent and purpose of S.C.R. No. 247, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 247, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Menor, Hamakawa, Hiraki, Tom and Thielen.

SCRep. 1743-96 Tourism on S.C.R. No. 209

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to:

- (1) Study the feasibility of establishing regional sports playing fields and Spring baseball training camps throughout the State;
- (2) Determine how best to attract Asian baseball leagues for Spring training camps that will assist or support in the development of sports playing fields that can be used for and attract other professional and athletic activities;
- (3) Consult with the appropriate government and business leaders in West Hawaii to discuss the development of a sports playing field for the Kohala Coast of the Big Island as proposed at the site under consideration by Mauna Lani Resort;
- (4) Report its findings and recommendations to the Legislature before the beginning of the Regular Session of 1997.

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 sports events in general provide tremendous tourism promotion benefits to Hawaii, especially those that generate large amounts of national and international news coverage. Furthermore, the sport of baseball enjoys enormous popularity in Japan, one of the most important of Hawaii's visitor markets, and in Korea and Taiwan, two

major developing markets. Additional baseball activities would complement the existing Hawaii Winter Baseball League, which already includes players from Japan, Korea and Taiwan.

As part of the incentives for development of sports facilities, the Department of Business, Economic Development, and Tourism should consider offering use of available state land in return for development of sports facilities by U.S. or Japan professional sports organizations interested in training in Hawaii or other activities.

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 S.C.R. No. 209, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1744-96 Tourism on S.C.R. No. 258

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to:

- (1) Develop and implement a techno-tourism policy aimed at making Hawaii the Asia-Pacific region's preeminent center for international science and technology conferences, in consultation with other appropriate visitor industry and scientific research agencies and organizations;
- (2) Inventory the number of science and technology conferences in Hawaii and their potential for revenue generation, in conjunction with the High Technology Development Corporation;
- (3) Report to the Legislature on the progress made toward the development and implementation of this policy and the result of the inventory.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, and the High Technology Development Corporation.

Your Committee finds that greater utilization of Hawaii as a location of science and technology conferences would give Hawaii the opportunity to share and further develop its technological and intellectual resources. An increase in this type of business-related and academic travel would help Hawaii diversify its travel industry away from the vacation market that currently dominates Hawaii tourism, thus drawing a greater amount of travelers that are less price-sensitive, and generating jobs paying higher wages and salaries and providing greater professional and management opportunities for Hawaii residents.

In addition, the Hawaii Convention Center project currently underway would provide an appropriate venue for major events such as the conferences described in the resolution.

Your Committee further finds that the policy development by the Department of Business, Economic Development and Tourism should also include Maui Economic Development Board and the Maui High Performance Computing Center, in addition to the other organizations designated to receive certified copies, but time considerations prevent amendment of the resolution.

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 S.C.R. No. 258, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1745-96 Tourism on S.C.R. No. 263

The purpose of this resolution is to request that:

- (1) The owners of the Coco Palms Hotel, the Waiohai Hotel, the Poipu Beach Hotel, and the Sheraton Poipu Beach Hotel make every effort to reopen their hotels;
- (2) Aetna Casualty and Surety Company speedily and expeditiously resolve its contest of Wailua Associates' claim so that the Coco Palms may be reopened for the public good; and
- (3) All departments, agencies, and offices of the State and County are requested to cooperate with and provide assistance to the reopening of these hotels to the extent that such cooperation and assistance is appropriate and lawful.

Your Committee received testimony in support of this resolution from the Office of Representative Billy K. Swain and the Hawaii Hotel Association.

Your Committee finds that the County of Kauai still suffers from lingering effects of Hurricane Iniki in 1992. Real property tax revenues have not recovered to pre-Iniki levels, the Kauai 8.7 percent unemployment rate remains the highest in the state, loans by the Federal Emergency Management Agency will soon end, and four of the largest hotels in the county have not re-opened.

Settlement of the insurance claim of the Coco Palms Hotel, and close enforcement of existing state insurance laws to ensure good-faith resolution of the claim will be a significant step toward the re-opening of all four hotels, thus providing a needed boost to the area and help to revive the Kauai economy.

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 S.C.R. No. 263, S.D. 1, and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1746-96 Tourism on S.C.R. No. 176

The purpose of this resolution is to:

- (1) Declare support for the efforts of Hawaii's congressional delegation and the U.S.S. Missouri Memorial Association in mooring the U.S.S. Missouri at Battleship Row, Pearl Harbor, Hawaii;
- (2) Direct the Legislative Reference Bureau to review existing laws relating to special purpose revenue bonds;
- (3) Request the Department of Business, Economic Development and Tourism to analyze the impact of expanding the use of special purpose revenue bonds to include the development of infrastructure for the U.S.S. Missouri and for public use visitor industry infrastructure in general, and report to the Legislature.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, the Department of Defense Office of Veterans Services, the U.S.S. Missouri Memorial Association, the Pacific War Museum, the Hawaii Hotel Association, the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, the Sons and Daughters of the MISVA, and a concerned individual/retired admiral.

Your Committee finds that locating the U.S.S. Missouri in Pearl Harbor would reinforce the strong link between Hawaii and World War II, and, by locating it in close proximity to the U.S.S. Arizona memorial, would bring together the symbols of the beginning and the end of U.S. involvement in World War II.

Your Committee revised this resolution by:

- (1) Removing references to special purpose revenue bonds and any study or analysis by the Legislative Reference Bureau or the Department of Business, Economic Development and Tourism;
- (2) Adding provisions stating legislative support for the joint public/private effort to finance the infrastructure construction and offering the assistance of the Legislature by any available means to accomplish the mooring of the U.S.S. Missouri in Pearl Harbor;
- (3) Adding a provision urging continued cooperation between the numerous groups working together on the project, including the private agencies with jurisdiction over issues related to the mooring and financing of the U.S.S. Missouri in Pearl Harbor;
- (4) Adding the U.S. Secretary of the Navy, the Director of the U.S.S. Arizona Memorial operated by the National Park Service, the Governor of the State of Hawaii, the Director of the Office of Veterans Services of the Department of Defense, the Director of Transportation; the Mayor of the City and County of Honolulu, the President of the Hawaii Visitors Bureau, the President of the Chamber of Commerce of Hawaii, and the Chairperson of the Pacific Fleet Submarine Memorial Association to those receiving certified copies of the resolution and removing the Director of the Legislative Reference Bureau;
- (5) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 176, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1747-96 Finance on S.C.R. No. 66

The purpose of this concurrent resolution is to urge the utilization of computer technology for the empowerment of the student communication network.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1748-96 Finance on S.C.R. No. 86

The purpose of this concurrent resolution is to request Congress not to enact federal legislative mandates on states without necessary funding.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 86 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1749-96 Finance on S.C.R. No. 100

The purpose of this concurrent resolution is to request Hawaii's Congressional Delegation to urge Congress to consider amending the Estate Tax law to increase the unified credit against estate tax so that the value of a decedent's principal residence shall not be taxed or amend the definition of "gross estate" to exclude the value of a decedent's principal residence.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 100 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1750-96 Finance on S.C.R. No. 137

The purpose of this concurrent resolution is to request the Department of Education to adopt and implement procedural guidelines for assistive technology.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1751-96 Finance on S.C.R. No. 164

The purpose of this concurrent resolution is to request the establishment of a Joint Interim Committee on Education Budget Reform.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 164, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1752-96 Finance on S.C.R. No. 168

The purpose of this concurrent resolution is to request the University of Hawaii (UH) at Manoa libraries, in partnership with the libraries throughout the UH system and UH's Information Technology Services Division, to develop a plan and a proposal for making the resources of Hamilton Library and other appropriate collections available on a systemwide and statewide basis through modern distributed digital storage systems and telecommunications technologies.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 168 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, and Marumoto.

SCRep. 1753-96 Finance on S.C.R. No. 188

The purpose of this concurrent resolution is to request the Department of Health to revisit its requirements for upgrading from cesspools to individual wastewater systems.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 188 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1754-96 Finance on S.C.R. No. 208

The purpose of this concurrent resolution is to request the Department of Transportation to convene a task force to examine the feasibility of, and make recommendations for, a volunteer enforcement program for the illegal use of handicapped parking.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 208, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1755-96 Finance on S.C.R. No. 253

The purpose of this concurrent resolution is to request the Department of Transportation to study the Keahole-Kona International Airport fuel needs enlisting the assistance from private sector fuel providers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 253, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1756-96 Finance on S.C.R. No. 43

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to use its expertise to plan a sustainable economic base for Hawaii County.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 43, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1757-96 Finance on S.C.R. No. 186

The purpose of this concurrent resolution is to request the coordination of efforts of the Department of Transportation, the Department of Business, Economic Development, and Tourism, and the Department of Agriculture to develop a plan for the shipment of Hawaii cattle to the United States West Coast that is consistent with section 27 of the Merchant Marine Act, 1920.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 186, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1758-96 Finance on S.C.R. No. 282

The purpose of this resolution is to request a study of the economic impacts of shipboard casinos and pari-mutuel horse racing in Hawaii.

The Attorney General submitted comments on this measure.

Your Committee notes that the economic impacts on law enforcement and human services are also key issue for the study.

Your Committee has amended this resolution by deleting references to the Hawaii Hotel Association, and by clarifying that casinos and pari-mutuel horse racing have been identified as forms of gaming that may be considered in the study.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 282, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 282, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Nakasone, and Marumoto.
(Representatives Isbell, Kahikina and Ward voted no.)

SCRep. 1759-96 Finance on H.R. No. 59

The purpose of this resolution is to request the State Department of Labor and Industrial Relations to report on its progress in establishing a comprehensive workforce development system in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Nakasone, Nekoba and Marumoto.

SCRep. 1760-96 Education on S.C.R. No. 169

The purpose of this concurrent resolution is to request the Board of Education to study, with a view toward modifying, its policy of requiring students to have a 2.0 grade point average (GPA) to qualify to participate in co-curricular activities.

The Department of Education submitted comments on this measure.

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

- (1) Clarifying that there are student athletes being disqualified from participation in school team sports because of failing to maintain a 2.0 GPA;
- (2) Deleting the provision which states that the push to raise the 2.0 GPA requirement is unwise for student athletes who may only need tutoring to raise their GPAs to 2.0;
- (3) Deleting the statement that the Board of Education should re-examine its 2.0 GPA requirement by lowering the requirement altogether;
- (4) Deleting the provision that students with less than a 2.0 GPA, who desire to participate in co-curricular activities, evidence an interest in school that can be used to deter them from becoming gang members and juvenile delinquents;

- (5) Changing the title to read "REQUESTING THE BOARD OF EDUCATION TO STUDY THE 2.0 GRADE POINT AVERAGE RULE FOR STUDENTS TO PARTICIPATE IN CO-CURRICULAR ACTIVITIES"; 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 Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 169, H.D. 1.

Signed by all members of the Committee except Representatives Lee, Morihara, Pepper, Shon, Takai and Takamine.

SCRep. 1761-96 Education on S.C.R. No. 175

The purpose of this concurrent resolution is to request the Board of Education to review and revise the School Code and the Department of Education Administrative Rules to reflect recent systemic reforms.

The Department of Education concurred with this measure.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that the status report is an interim report; and
- (2) Requiring the submittal of a final report prior to the 1998 Regular Session.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 175, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Lee, Morihara, Pepper, Shon, Takai and Takamine.

SCRep. 1762-96 Education on S.C.R. No. 45

The purpose of this concurrent resolution is to request the Department of Education to inform all parents and guardians of the Student Code of Conduct (Code) and their responsibilities with respect to ensuring that their children comply with the Code.

The Department of Education (DOE) submitted testimony concurring with the intent of this measure.

Your Committee finds that the Code was developed by the Labor Management Cooperation Committee whose members included representatives from the Board of Education, the Hawaii State Teachers Association, the Hawaii Government Employees Association, and the DOE, with collaboration from the Hawaii State Parent-Teacher-Student Association and the Hawaii State Student Council. The Board of Education adopted the Code in 1995.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee except Representatives Lee, Morihara, Pepper, Shon, Takai and Takamine.

SCRep. 1763-96 Education on S.C.R. No. 261

The purpose of this concurrent resolution is to request that the Department of Education, in consultation with the Department of Health and the Department of Accounting and General Services, review the school inspection program.

Specifically, the review is to include:

- (1) An assessment of the evaluation checklist to improve the criteria and expand the evaluation scale;
- (2) Consideration of additional training for school inspection team volunteers;
- (3) Monitoring of the evaluation process to ensure that announced and unannounced inspections are provided equal weight; and
- (4) Input through a statewide meeting or survey of inspection team volunteers about possible improvements to the evaluation checklist and process.

Testimony supporting the intent of the measure was received from the Department of Education and the Department of Health. The Department of Accounting and General Services submitted comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 261 and recommends its adoption.

Signed by all members of the Committee except Representatives Lee, Morihara, Pepper, Shon, Takai and Takamine.

SCRep. 1764-96 Water and Land Use Planning on S.C.R. No. 15

The purpose of this concurrent resolution is to review and approve a land exchange entered into by the Board of Land and Natural Resources with Stewart Lundy Wade and Arla Wagers Wade.

This exchange would convey certain state-owned lands in Waimanalo for the conveyance of certain lands also in Waimanalo that are required by the State for the development of the Waimanalo Agricultural Park Subdivision, Phase II Project.

In supporting the measure, the Department of Land and Natural Resources confirmed that the land exchange will allow the State to continue its development of the Waimanalo Agricultural Park Subdivision, Phase II Project.

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 concurs with the intent and purpose of S.C.R. No. 15 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro and Meyer.

SCRep. 1765-96 Water and Land Use Planning on S.C.R. No. 275

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources (BLNR) to review its policies and administrative rules related to lease rents for war veterans organizations to determine whether affordable rent structures can be established for these organizations when they lease public lands for use as campsites or as areas for youth athletics and educational activities.

The Office of Veterans Services submitted testimony in support of the purpose and intent of the measure. BLNR recommended a comprehensive review of chapter 171, Hawaii Revised Statutes (Public Lands, Management and Disposition of), which includes provisions for the leasing of public lands.

Your Committee supports this overall review, and recommends that procedures developed by BLNR to lease public lands to private, nonprofit organizations provide equal opportunity to all affected organizations.

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 concurs with the intent and purpose of S.C.R. No. 275, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro and Meyer.

SCRep. 1766-96 Water and Land Use Planning and Ocean Recreation and Marine Resources on S.C.R. No. 16

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources (BLNR) to lease certain submerged lands at Manele Bay to Lanai Company, Inc. for marina purposes.

Testimony in support of this concurrent resolution was submitted by BLNR and a law firm representing Lanai Company, Inc. Testimony submitted by the Office of Hawaiian Affairs opposed this measure.

Your Committees find that existing facilities are inadequate to meet the growing demands for the use of Lanai's Manele Small Boat Harbor by commercial services such as tours, day trips and charters, as well as private boaters and fishermen. The lack of lights, telephones, and the need for an improved water system could create hazardous conditions in emergency situations.

Your Committees support the concept of improving Manele Small Boat Harbor, and this measure represents a starting point toward realizing that end. Your Committees underscore the need for residents of Lanai to continue to have opportunities for public input in this matter as it proceeds.

As affirmed by the records of votes of the members of your Committees on Water and Land Use Planning and Ocean Recreation and Marine Resources that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 16, S.D. 1, and recommend its adoption.

Signed by all members of the Committees except Representatives M. Oshiro, Santiago, Anderson and Meyer.
(Representative Shon voted no.)

SCRep. 1767-96 Education on S.C.R. No. 174

The purpose of this concurrent resolution is to urge the Adult and Community Education Program of the Department of Education (DOE) to administer the General Education Development (GED) degree examination to children who have reached the age of sixteen.

The DOE testified that it concurs with this concurrent resolution.

The GED examination is one method by which a person can obtain a Hawaii high school diploma through the Community School for Adults. Currently, the age limits for the administration of the GED exam are seventeen years, and sixteen years for emancipated minors.

The DOE indicated that this measure is consistent with the direction it is taking in permitting the GED exam to be administered to sixteen-year-olds upon appropriate withdrawal from regular high school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 174 and recommends its adoption.

Signed by all members of the Committee except Representatives Lee, Morihara, Pepper, Shon, Takai and Takamine.

SCRep. 1768-96 Water and Land Use Planning on S.C.R. No. 51

The purpose of this concurrent resolution is to support efforts to complete the Keolonahihi State Cultural Site on the Kona Coast of the island of Hawaii by requesting the Department of Land and Natural Resources (DLNR) to conduct a study to determine the feasibility of a land exchange to acquire the Keakealaniwahine residence.

The DLNR and the Friends of Keolonahihi testified in support of this measure.

Your Committee finds that this is the best time for the State to acquire the Keakealaniwahine property. Therefore, your Committee strongly encourages DLNR to pursue this matter in an expeditious manner and take the steps necessary to complete the Keolonahihi State Cultural Site.

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 concurs with the intent and purpose of S.C.R. No. 51, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Oshiro and Meyer.

SCRep. 1769-96 Water and Land Use Planning and Energy and Environmental Protection on S.C.R. No. 24

The purpose of this concurrent resolution is to request that the Department of Land and Natural Resources (DLNR) in conjunction with the Department of Agriculture (DOA), expedite actions to locate and designate a suitable site for a new slaughterhouse on the island of Oahu.

Testimony supporting this concurrent resolution was submitted by DLNR, the Hawaii Farm Bureau, the Hawaii Pork Industry Association, and the Farmers' Livestock Cooperative.

Your Committees find that the slaughterhouse facility located at Honouliuli on Oahu is the only USDA-approved facility that slaughters cattle, hogs, and sheep and that the lease for this facility will soon expire. Furthermore, your Committees find that the future of the State's livestock industry depends upon the existence of a slaughterhouse facility that is located on Oahu which meets the standards of the USDA.

Your Committees are also cognizant that the planning and development process for the construction of this new slaughterhouse facility will take at least two years and believe that passage of this concurrent resolution is necessary to initiate this process.

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 concur with the intent and purpose of S.C.R. No. 24, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Oshiro, Santiago and Meyer.