

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. 1 on H.B. No. 117

The purpose of the bill is to provide the people of Hawaii with the opportunity to amend the Hawaii State Constitution to expressly state that the Legislature has the power to constitutionally reserve marriage to couples of the opposite sex, thereby addressing the ruling in Baehr v. Lewin on that issue.

Your Committee has amended both the purpose clause of the bill and the language of the proposed amendment to more clearly fulfill these purposes and intentions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 117, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 117, SD 1, CD 1.

Representatives Tom, Cachola, Herkes, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, McCartney and Metcalf,
Managers on the part of the Senate.

Conf. Com. Rep. 2 on H.B. No. 118

The purpose of this bill is to establish the status of reciprocal beneficiaries and provide certain state governmental benefits to those with such status.

The bill represents a commitment to the provision of substantially similar government rights to those couples who are barred by law from marriage. Your Committee agrees that, while the traditional concept of marriage should be reserved as per current law, permanent commitments which bear the same burdens and share the same aspirations as legally married couples should, as a matter of fundamental fairness, be afforded the economic benefits provided by the State of Hawaii to married couples.

Among the benefits extended to reciprocal beneficiaries which are substantially equivalent to those extended to spouses are:

- (1) Survivorship rights including inheritance, workers compensation survivorship benefits, state employees retirement beneficiary benefits;
- (2) Health related benefits including hospital visitation, private and public employee prepaid medical insurance benefits, auto insurance coverage, mental health commitment approvals and notifications, family and funeral leave;
- (3) Benefits and obligations relating to jointly held property: tenancy in the entirety, disaster relief loans, and public lands leases;
- (4) Legal standing relating to wrongful death, victims rights, and domestic violence family status; and
- (5) Miscellaneous benefits such as University of Hawaii facilities use, anatomical gifts, and government vehicle emergency use.

Upon further consideration and agreement, this measure was amended by:

- (1) Deleting section 425-125, Hawaii Revised Statutes, which relates to partnership property;
- (2) Inserting language which explicitly prohibits other than limited interpretations;
- (3) Providing for a sunset of state and county prepaid health insurance provisions (June 30, 1999);
- (4) Requiring a closed claim study by the Auditor two years after the effective date of the Act;
- (5) Deleting those provisions relating to personal income tax;
- (6) Deleting the durational residency requirement;
- (7) Clarifying that the marriage of a reciprocal beneficiary terminates reciprocal beneficiary rights;
- (8) Changing the effective date to July 1, 1997; and
- (9) Making technical, nonsubstantive amendments.

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

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

Senators Chumbley, Matsunaga, McCartney and Metcalf,
Managers on the part of the Senate.

Conf. Com. Rep. 3 on H.B. No. 1745

The purpose of this bill is to reduce the maximum penalty for any person violating a rule adopted pursuant to chapter 200, Hawaii Revised Statutes, from that of a misdemeanor to a petty misdemeanor.

Your Conference Committee believes that enforcement of boating rules is essential to protect public safety and environmental quality. The adjudication of these violations must be done in a timely manner in order to be effective in deterring such violations. Current backlogs are caused by requests for jury trials for misdemeanors. These delays can be avoided by reducing the violations to petty misdemeanors.

Your Conference Committee has agreed to establish a minimum fine of \$50 for such violations, to provide a sufficient disincentive.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1745, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1745, HD 2, SD 2, CD 1.

Representatives Tarnas, Tom, Morihara, Yamane and Meyer,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 4 on H.B. No. 1610

The purpose of this bill is to authorize state agencies to indemnify, defend, and hold harmless United States agencies when necessary to receive federal benefits.

Upon further consideration and agreement, this measure was amended by including a provision from HD 1, which gives the comptroller authority to obtain loss insurance to cover the liability of the State that may arise from the operation of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1610, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1610, HD 2, SD 1, CD 1.

Representatives Tom, Say, Jones, White and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 5 on H.B. No. 214

The purpose of this bill, as received by your Committee on Conference, is to rename the Keahole-Kona International Airport to the Kona International Airport, Keahole, Hawaii.

Your Committee on Conference has amended this bill by changing the new name of the airport located at Keahole-Kona from the Kona International Airport, Keahole, Hawaii to the Kona International Airport at Keahole.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 214, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 214, SD 1, CD 1.

Representatives Hiraki, Case, Takumi and Marumoto,
Managers on the part of the House.

Senators Sakamoto, Kawamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 6 on H.B. No. 1965

The purpose of this bill is to direct the chairperson of the Department of Land and Natural Resources to establish a task force to develop a comprehensive plan to address issues posed by the introduction of alien aquatic organisms into Hawaiian waters.

Your Conference Committee finds that it is important to protect our state waters from the introduction of harmful aquatic life by ships' ballast water or on the ships' hulls. This can best be accomplished by implementing a plan developed through a collaborative effort of state and federal agencies, industry representatives, and scientists.

Therefore, your Conference Committee has agreed to a Conference Draft that clarifies the membership of the alien aquatic organism task force and specifies the issues to be addressed in the comprehensive plan.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1965, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1965, HD 1, SD 1, CD 1.

Representatives Tarnas, Tom, Hamakawa, Yamane and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 7 on H.B. No. 2

The purpose of this bill is to amend the state motor carrier law by:

- (1) Extending civil and criminal penalty provisions to include shippers and consignees located in this State, as well as their officers, agents, employees, or representatives;
- (2) Exempting persons transporting seed corn to or from a processing facility from the motor carrier law; and
- (3) Repealing the June 8, 1998, sunset date of Act 105, Session Laws of Hawaii 1995, which allows the Department of Transportation motor vehicle safety officers to enforce motor carrier violations.

Upon further consideration your Committee has amended this measure by:

- (1) Repealing the seed corn exemption on June 30, 2002; and
- (2) Making other technical, nonsubstantive amendments to provide consistency and conform with drafting conventions.

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

Representatives Hiraki, Menor, Tom, Yamane and Aiona,
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 8 on H.B. No. 1660

The purpose of this bill is to exempt the University of Hawaii from the procurement code when making purchases from its bookstores as long as the goods or services are those that are routinely stocked and marketed.

The bill has been amended by:

- (1) Adding a statement of findings and purpose;
- (2) Granting a two-year exemption from the procurement code for goods or services purchased by the office of intercollegiate athletics of the University of Hawaii at Manoa with moneys from the University of Hawaii at Manoa intercollegiate athletics revolving fund; and
- (3) Adding a requirement that the office of intercollegiate athletics of the University of Hawaii at Manoa submit an annual report to the Legislature on the status of the University of Hawaii at Manoa intercollegiate athletics revolving fund.
- (4) Making a technical, nonsubstantive change for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1660, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1660, HD 2, SD 1, CD 1.

Representatives Morihara, Say, Ahu Isa, Takai and Halford,
Managers on the part of the House.

Senators Aki, Tam, M. Ige, D. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 9 on H.B. No. 1638

The purpose of this bill is to increase the number of temporary exempt positions in the Correctional Industries Program in any fiscal year from thirty to sixty.

Upon careful consideration, your Committee on Conference has amended this measure by changing the number of temporary exempt positions in the Correctional Industries Program in any fiscal year from thirty to forty-five.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1638, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1638, HD 2, SD 1, CD 1.

Representatives Garcia, Kanoho, Kahikina, Saiki and Ward,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Fernandes Salling, Fukunaga, McCartney and Anderson,

Managers on the part of the Senate.
(Representative Anderson did not concur.)

Conf. Com. Rep. 10 on H.B. No. 1706

The purpose of this bill is to:

- (1) Place a two-year moratorium on employer assessments to the Employment and Training Fund (ETF); and
- (2) Require the Department of Labor and Industrial Relations to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1999, on the advisability of continuing the moratorium.

Your Committee on Conference has amended this bill by:

- (1) Changing the moratorium on employer assessments to the ETF from two years to eighteen months; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1706, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1706, HD 2, SD 2, CD 1.

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

Senators Kanno, Chun Oakland, Fernandes Salling, Fukunaga, Baker, Levin and Kawamoto,
Managers on the part of the Senate.

Conf. Com. Rep. 11 on H.B. No. 1894

The purpose of this bill is to provide statutory authority for the Director (Director) of the Department of Labor and Industrial Relations (DLIR), or the Director's designee when the Director is unavailable, to serve as a member of the Elevator Mechanics Licensing Board (Board).

Currently, the law requires that one member of the Board be the branch manager of the Boiler Elevator Inspection Bureau. As there is no Bureau, the law is being amended to repeal this requirement and to provide instead that the Director or the Director's designee serve as a member of the Board.

Upon careful consideration, your Committee has amended this bill to clarify that the Director's designee shall be an employee of DLIR and possess expertise in elevator and escalator installation and maintenance.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1894, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1894, SD 1, CD 1.

Representatives Menor, Garcia, Herkes, Lee and Whalen,
Managers on the part of the House.

Senators Baker, D. Ige, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 12 on H.B. No. 1863

The purpose of this bill is to encourage financial self-sufficiency by:

- (1) Requiring that all fees charged by the regulatory agencies within the Department of Commerce and Consumer Affairs (DCCA) to cover, to the greatest extent possible, the cost or value of services rendered to those regulated; and
- (2) Allowing DCCA to assess fees for copies of consumer and business education publications prepared by DCCA.

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

- (1) Retaining the existing statutory language of section 26-9(l)(1), Hawaii Revised Statutes regarding fees assessed by DCCA; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1863, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1863, HD 2, SD 1, CD 1.

Representatives Menor, Kanoho, Hamakawa, Saiki and Ward,
Managers on the part of the House.

Senators D. Ige, Fukunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 13 on H.B. No. 939

The purpose of this bill is to allow automobile rental companies to pass on to a lessee:

- (1) The general excise tax attributable to the transaction;
- (2) The vehicle license and registration fee and weight taxes, prorated at 1/365th of the annual vehicle license and registration fee and weight taxes actually paid on the vehicle being rented; and
- (3) The rental motor vehicle surcharge tax.

This measure also allows the lessor to exclude from the daily and periodic rental cost, charges assessed for general excise taxes, and fees allowed under chapter 437D, Hawaii Revised Statutes, provided that these payments are disclosed.

Your Committee believes the term "payments" does not require specific dollar amounts, but may include types of payments such as vehicle license and registration fees, weight taxes, surcharges, and general excise taxes.

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

- (1) Requiring the lessor to disclose as part of any quotations of price, all payments a lessee must make to rent the vehicle, including all charges provided for in section 437D- , Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 939, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 939, HD 1, SD 1, CD 1.

Representatives Menor, Lee, Saiki, Yoshinaga and Aiona,
Managers on the part of the House.

Senators Baker, D. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 14 on H.B. No. 2202

The purpose of this bill is to establish the position of a Captive Insurance Administrator to assist in monitoring, regulating, and developing the captive insurance industry.

In addition, this bill also:

- (1) Authorizes the Insurance Commissioner to establish a Captive Insurance Administrative Fund (Fund) from which the Commissioner may compensate the administrator and staff; and
- (2) Requires captive insurance company premium taxes, licensing fees, and examination fees to be deposited into the Fund.

Since the passage of the captive insurance law in 1987, Hawaii has become the premier captive domicile in the Pacific and the second largest captive domicile in the United States. Due to the unique nature of captive insurance and the State's commitment to attract new captive insurance companies, your Committee finds that the establishment of a captive insurance administrator position is needed for the continued and successful growth of Hawaii's captive insurance industry.

Your Committee has amended this bill by correcting the effective date to July 1, 1997.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2202, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2202, HD 2, SD 1, CD 1.

Representatives Menor, Kanoho, Case, Hamakawa and Ward,
Managers on the part of the House.

Senators Baker, D. Ige, Fernandes Salling and Slom,
Managers on the part of the Senate.

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

The purpose of this bill is to ensure that the State may retain its jurisdiction over health insurance by meeting the compliance requirements under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

- (1) Increasing an insurer's potential to achieve higher yields and cost savings by allowing related insurers to acquire investments in investment pools;
- (2) Broadening the definitions of "state" and "United States" to include the governments of American Samoa, Guam, and the United States Virgin Islands;

- (3) Authorizing the Insurance Commissioner to suspend, revoke, or refuse to extend any license issued under Article 9 of the Insurance Code, or any surplus lines broker's license, if a licensee willfully violates or knowingly participates in the violation of any provision of the Code;
- (4) Repealing section 431:3-211, Hawaii Revised Statutes, pertaining to alien reinsurers; and
- (5) Making technical, nonsubstantive amendments to correct drafting errors and for purposes of style and clarity.

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

Representatives Menor, Herkes, Lee, Saiki and Whalen,
Managers on the part of the House.

Senators Baker, D. Ige and Chun Oakland,
Managers on the part of the Senate.

Conf. Com. Rep. 16 on H.B. No. 1006

The purpose of this bill is to give a voice to students on the Board of Regents (Board) by adding a member to the Board who is a student of the University of Hawaii.

Your Committee has amended the bill by allowing the individual filling the new seat on the Board to be reappointed, even though at the time of reappointment the individual may no longer be a student due to graduation. As a recent graduate, the member would still retain the perspective of a student. In addition, this individual would have gained two years of valuable experience on the Board.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1006, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1006, HD 1, SD 2, CD 1.

Representatives Takai, Chang, Goodenow, Morita and Meyer,
Managers on the part of the House.

Senators Aki, Tam, D. Ige, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 17 on H.B. No. 106

The purpose of this bill is to lower from sixteen to fourteen, the age at which the family court may waive jurisdiction over a juvenile who is alleged to have committed violent, serious, or multiple felonies. The bill also allows a court to waive jurisdiction over a juvenile who commits, at any age, an act that would constitute murder or attempted murder if committed by an adult.

Upon further consideration and amendment, this measure was amended by:

- (1) Deleting provisions relating to fingerprinting and photographing;
- (2) Deleting provisions relating to records;
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 106, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 106, HD 1, SD 1, CD 1.

Representatives Tom, Herkes, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, McCartney, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 18 on H.B. No. 141

The purpose of this bill is to create a qualified immunity for individuals who volunteer their services to nonprofit or governmental entities.

Upon further consideration and agreement, the bill has been amended by deleting Section 3, relating to the retroactive effect of the measure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 141, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 141, SD 1, CD 1.

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

Senators Chumbley, Matsunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 19 on H.B. No. 103

The purpose of this bill is to support business in the State and the ongoing efforts of the Blue Ribbon Task Force on Small Business (Task Force), which was established by Act 272, Session Laws of Hawaii (SLH) 1996, by:

- (1) Changing the name of the "Blue Ribbon Task Force on Small Business" to the "Small Business Task Force on Regulatory Relief";
- (2) Expanding the mission and functions of the Task Force; and
- (3) Extending the duration of the Task Force indefinitely.

Your Committee believes that limiting the duration of the Task Force would encourage the timely submittal of reports of the Task Force's actions and minimize unnecessary delays in the regulatory process based on the review of proposed and current legislation.

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

- (1) Limiting the duration of the Task Force to June 30, 1999;
- (2) Changing the submittal of reports to the Governor and the Legislature to:
 - (a) A report prior to the 1998 Regular Session; and
 - (b) A final report prior to the 1999 Regular Session;
- (3) Repealing Act 272, SLH 1996, on June 30, 1999; and
- (4) Making technical, nonsubstantive amendments for clarity and to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 103, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 103, HD 2, SD 1, CD 1.

Representatives Herkes, Ito, Ahu Isa and Fox,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Fernandes Salling, Fukunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 20 on H.B. No. 351

The purpose of this bill is to support economic development in the State by requiring the Department of Accounting and General Services (DAGS) to work with the Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Land and Natural Resources (DLNR) to sell the Hawaii Film Studio (Studio) and to lease the underlying property to a private entity or entities on a long-term basis.

In addition, this bill also retains the Film Industry Branch within DBEDT.

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

Part I

- (1) Establishes an eleven-member Permit Process Task Force (Task Force) within DBEDT to streamline and facilitate the state permit approval process when a state regulatory permit is necessary to obtain a county permit;
- (2) Specifies the composition, terms, and duties of the Task Force;
- (3) Makes DBEDT the lead agency to administer and facilitate the Consolidated Application Procedure for projects requiring both county permit applications and state agency approval;
- (4) Authorizes counties that agree to participate in the Consolidated Application Process to advise applicants of the Consolidated Application Procedure; and
- (5) Specifies procedures for permits approved by the appropriate state departments and permits approved by administrative rule.

Part II

- (1) Instead of requiring DAGS to work with DBEDT and DLNR to sell the Studio, authorizes DBEDT to:
 - (a) Enter into a long-term lease for the Studio; and
 - (b) Lease the Studio up to the maximum term allowable by law through a general request for proposals consistent with the Hawaii Public Procurement Code;

provided that the DBEDT Director determines that it would be in the State's best interest to lease the Studio to a private entity or entities; and

- (2) Provides that the lease is to require the Studio and its underlying property to continue to be used as a support facility for the production of film and television productions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 351, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 351, HD 2, SD 2, CD 1.

Representatives Herkes, Menor, Say and Aiona,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Fernandes Salling, Fukunaga, Kawamoto, Sakamoto and Ihara,
Managers on the part of the Senate.

Conf. Com. Rep. 21 on H.B. No. 582

The purpose of this bill is to prohibit the exhibition, promotion, and broadcasting of no rules combat, extreme or ultimate fighting, or similar contests. This measure:

- (1) Defines a no rules combat, extreme or ultimate fighting, or similar contest;
- (2) Prohibits the participation in, promotion of, and broadcast of live, taped, or via closed circuit television, no rules combat, extreme or ultimate fighting, or similar contests;
- (3) Establishes a maximum fine of \$10,000 for each violation and provides that promoters found to be in violation of the ban shall be prohibited from doing business in the State for three years; and
- (4) Provides that in proceedings before the Department of Commerce and Consumer Affairs, there is a rebuttable presumption that a violation has occurred.

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

- (1) Deleting the ban on the broadcast of no rules combat, extreme or ultimate fighting, or similar contests, based upon potential constitutional problems;
- (2) Providing that a person in violation of the prohibition shall be subject to section 436B-26.5, Hawaii Revised Statutes, and that each day's violation or failure to comply shall be deemed a separate offense;
- (3) Deleting the three-year prohibition against doing business in this State for promoters found to be in violation of the ban; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 582, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 582, HD 1, SD 1, CD 1.

Representatives Menor, Tom, Lee, Yamane and Kawananaoka,
Managers on the part of the House.

Senators Baker, D. Ige and Chun Oakland.
Managers on the part of the Senate.

Conf. Com. Rep. 22 on H.B. No. 1309

The purpose of this bill is to:

- (1) Provide that condominium managing agents and associations of apartment owners may provide evidence of fidelity bond coverage when registering with the Real Estate Commission by submitting an insurer's certification statement; and
- (2) Exempt from the requirements of Chapter 514A, Hawaii Revised Statutes (HRS), any condominium project created prior to May 29, 1963, pursuant to Act 180, SLH 1961, unless an express declaration has been made by all of the owners and holders of liens affecting any of the apartments in the project, stating that the chapter shall apply to the property.

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

- (1) Chapter 514A, HRS, shall not apply to any association of apartment owners created prior to May 29, 1963, pursuant to Act 180, SLH 1961, unless an express declaration has been made by all of the owners and holders of liens affecting any of the apartments, stating that the chapter shall apply to the property; and
- (2) Any condominium project or association of apartment owners created prior to May 29, 1963, pursuant to Act 180, SLH 1961, having seven or more apartments, shall comply with the requirements of sections 514A-95.1 and 514A-132, HRS, with the exception of fidelity bond coverage.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1309, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1309, HD 1, SD 2, CD 1.

Representatives Menor, Herkes, Saiki, Yoshinaga and Kawanakoa,
Managers on the part of the House.

Senators Bunda, D. Ige, M. Ige, Baker, Aki, Matsunaga, Solomon and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 23 on H.B. No. 636

The purpose of this bill is to set forth acceptable tolerances for discrepancies in structures or improvements relative to private property boundaries for various classes of real property.

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

- (1) Replacing the term "de minimus structure position" with "de minimus structure position discrepancy" to be consistent with the definition in section 669-A of section 2 of this bill;
- (2) Clarifying that the property owner who constructed the improvement, or the property owner's successor in interest, shall be responsible for the cost of removing any improvement encroaching on county property in accordance with county procedures or ordinances;
- (3) Clarifying that it is not any improvement on county property that must be removed but rather any improvement within a de minimus structure position discrepancy that must be removed when subject to these provisions; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 636, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 636, HD 2, SD 1, CD 1.

Representatives Hamakawa, Tom, Goodenow, Yamane and Thielen,
Managers on the part of the House.

Senators Iwase, Solomon, Chumbley, Matsunaga, Tanaka and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 24 on H.B. No. 1762

The purpose of this bill is to:

- (1) Expedite the disposal of an impounded vessel in a commercial harbor with an appraised value of \$125 per foot of the overall length, but not exceeding \$5,000; and
- (2) Allow the owner or operator of such a vessel to submit an appraisal of the vessel's value at the expense of the owner or operator.

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

- (1) Specifying that if the vessel, as determined by an independent appraiser with at least five years of experience in marine surveying, is appraised at:
 - (A) Less than \$125 per foot of the overall length for vessels up to 40 feet in length; or
 - (B) Less than \$5,000 for vessels over 40 feet,the vessel may be sold by negotiation, disposed of, or donated to any governmental agency;
- (2) Providing that the owner or operator of the vessel may submit an appraisal of the value of the vessel within thirty days of the impoundment by an independent appraiser with at least five years of experience in marine surveying, at the expense of the owner or operator;
- (3) Providing that if the appraised value of the vessel by the appraiser hired by the owner or operator of the vessel is equal to or greater than \$125 per foot of the overall length for vessels up to 40 feet in length, or the value is equal to or greater than \$5,000 for vessels over 40 feet in length, the Department of Transportation shall either:
 - (A) Hold an administrative hearing within ten days to determine the value of the vessel; or
 - (B) Dispose of it by public auction. If no bid is received, the vessel may be sold by negotiation, disposed of, or donated to any governmental agency; and
- (4) Making technical, nonsubstantive amendments to conform with drafting conventions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1762, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1762, SD 1, CD 1.

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

Senators Sakamoto, Kawamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 25 on H.B. No. 1105

The purpose of this bill is to establish a demonstration project to ensure that children on Kauai receive adequate dental care by:

- (1) Having each child admitted to any school for the first time submit a dental health certificate or certification from a dentist stating that the child will undergo a dental examination and will have all necessary treatment; and
- (2) Requiring the Department of Health and the Department of Education to coordinate their efforts in a public education program and in implementing and administering this project.

Your Committee has amended the bill by adding that a child who submits certification of the intent to undergo dental examination and have treatment performed will submit to school officials further certification no later than three months after the child entered school.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1105, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1105, HD 2, SD 1, CD 1.

Representatives Santiago, Stegmaier, Kawakami, Morita and Halford,
Managers on the part of the House.

Senators Tam, Levin, Aki, Fernandes Salling, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 26 on H.B. No. 1819

The purpose of this bill is to clarify the labeling and refill requirements for prescription drugs.

Your Committee on Conference has amended this measure by:

- (1) Providing that refill prescription requirements apply only to pharmacies practicing in the State; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1819, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1819, HD 1, SD 1, CD 1.

Representatives Santiago, Menor, Lee, Saiki and Pendleton,
Managers on the part of the House.

Senators Metcalf, Levin, Baker and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 27 on H.B. No. 631

The purpose of this bill is to provide for health care decisions to be made by a legal surrogate under certain circumstances.

Your Committee finds that the informal family consent practice in the community should be supported by an appropriate legal basis containing appropriate safeguards. Your Committee finds that this measure, which sunsets in 1999, will provide a meaningful demonstration of the surrogate decision-making process.

Your Committee has amended the measure by:

- (1) Eliminating the reference to orders not to resuscitate;
- (2) Providing for an order of priority in the designation of the legal surrogate;
- (3) Adding language to provide that the surrogate cannot order actions or inaction which would eliminate the provision of ordinary and usual medical care or treatment;
- (4) Clarifying that this legal surrogate concept only applies when there is no other authority to make medical decisions on behalf of the resident, except in the circumstance where the resident has made the designation;
- (5) Clarifying that, when appropriate, certain communications are to be made to the resident;
- (6) Providing that surrogate decision-making authority ends if the surrogate is discharged; and
- (7) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 631, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 631, HD 2, SD 2, CD 1.

Representatives Santiago, Tom, Lee, Yamane and Whalen,
Managers on the part of the House.

Senators Levin, Metcalf, Chumbley, Matsunaga, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 28 on H.B. No. 111

The purpose of this bill is to create a new Class A felony offense known as "continuous sexual abuse of a child," which provides specific circumstances under which sexual abuse of a minor is deemed a continuing offense.

Upon further consideration and agreement, this measure was amended by making a minor technical correction in a case citation in the preamble.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 111, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 111, HD 1, SD 1, CD 1.

Representatives Tom, Lee, Yamane, Yoshinaga and Pendleton,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 29 on H.B. No. 581

The purpose of this bill is to define the liability of persons who own or operate businesses providing recreational activities to the public.

Upon due consideration, your Committee on Conference has amended this bill by:

- (1) Specifying that the stated recreational activities are not all-inclusive;
- (2) Clarifying that the negligent acts and omissions are those of persons who own or operate businesses providing recreational activities;
- (3) Specifying that the damages discussed are for injuries to a patron;
- (4) Deleting the requirement that if the participant in the recreational activity is a minor, the written release be signed by the minor and the minor's parent or legal guardian;
- (5) Deleting reference that this bill shall affect the application of chapter 663B, Hawaii Revised Statutes, which relates to equine activities;
- (6) Specifying that the bill applies only to causes of action based on acts or omissions occurring after June 30, 1997;
- (7) Changing the effective date of the bill to July 1, 1997; and
- (8) Making technical, nonsubstantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 581, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 581, HD 1, SD 1, CD 1.

Representatives Herkes, Tom, Ito, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 30 on H.B. No. 1713

The purpose of this bill is to make technical, nonsubstantive amendments to the Hawaiian Homes Commission Act, 1920, as amended.

Your Committee on Conference has amended this bill by:

- (1) Changing the defined term "Native Hawaiian" back to "native Hawaiian" to maintain consistency throughout the Hawaiian Homes Commission Act, 1920, as amended; and
- (2) Making other technical, nonsubstantive amendments to conform with proper drafting style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1713, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1713, HD 1, SD 1, CD 1.

Representatives Case, Tom, Say, Yamane and Kawanakoa,
Managers on the part of the House.

Senators Iwase, Solomon, Fernandes Salling, Fukunaga, Tanaka and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 31 on H.B. No. 20

The purpose of this bill, as received by your Committee, is to establish a Motor Vehicle Graduated Driver Licensing Program for persons who are at least fifteen years old. This program shall operate within the City and County of Honolulu from January 1, 1998, to December 31, 2000.

Your Committee finds that teenagers in Hawaii are killed in motor vehicle accidents at more than twice the frequency of older drivers. Although similar graduated driver licensing programs have proven successful in other states, this is not the only approach to deal with this situation.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting provisions that:

- (1) Prohibit the Examiner of Drivers from examining any applicant, who is fifteen through seventeen years old, for a driver's license unless the applicant holds a valid instruction permit for no fewer than ninety days;
- (2) Require the temporary instruction permittee to be accompanied by a person who is eighteen years or older when driving;
- (3) Require the Director of Transportation, with the cooperation and assistance of the Examiner of Drivers to review and study drivers' licensing procedures to recommend legislative measures to update procedures; and
- (4) Amend the effective date to take effect July 1, 1997.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 20, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 20, HD 1, SD 2, CD 1.

Representatives Hiraki, Tom, Case, Herkes and Marumoto,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Chumbley, Matsunaga, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 32 on H.B. No. 116

The purpose of this bill is to provide for zero tolerance of drinking and driving for persons under the age of twenty-one.

Specifically, this bill creates a new offense for persons under the age of twenty-one driving with an alcohol concentration equal to or greater than .02 and less than .08. The bill also provides for the suspension of driving privileges of a person arrested for this new offense, if the person refuses to submit to a breath or blood test under implied consent statutes.

It has long been recognized that young drivers under the age of twenty-one are a significant factor in the most serious alcohol-related motor vehicle accidents. Accident rates for these young drivers are approximately double that which would be expected, given their proportion among all licensed drivers. Your Committee notes, however, that studies have shown that zero tolerance laws have had a twenty percent relative reduction on the proportion of fatal crashes among drivers under age twenty-one.

In addition, your Committee finds that an amendment to the 1995 National Highway Systems Act requires that all states enact a zero tolerance law by October 1, 1998, or face the loss of federal highway funds. Non-compliance with this mandate during the first year will result in the loss of five percent of Hawaii's federal highway funds. If the State fails to comply by October 1, 1999, the percentage of federal highway moneys withheld will increase to ten percent.

In view of the foregoing, your Committee strongly believes that adoption of a zero tolerance law is in the best interest of the public's health, safety, and welfare.

Your Committee has amended this bill by:

- (1) Consolidating the first four sections of the bill into one section that creates a new section in chapter 286, Hawaii Revised Statutes (highway safety), providing for procedures, court hearing, and sanctions for refusal to submit to breath or blood testing;
- (2) Clarifying that the new section 286- , Hawaii Revised Statutes, relating to refusal to submit to testing, applies only to persons under the age of twenty-one who are arrested for driving after consuming a measurable amount of alcohol and does not create new procedures and sanctions for persons under arrest for driving under the influence of intoxicating liquor who refuse to submit to testing;
- (3) Adding a new subsection (f) to the new section 286- , clarifying that the definition of "measurable amount of alcohol" is the same as in section 291- (a), Hawaii Revised Statutes;

- (4) Changing the number of required hours of attendance of an alcohol abuse education and counseling program for a first offense under 291- (b)(1) from "seven or more hours as ordered by the court" to "not more than ten hours";
- (5) Clarifying and correcting a number of cross-references in the bill, notably at line 7 on page 1, lines 4, 11, and 19 on page 3, lines 17 and 18 on page 9, and lines 6 and 16 on page 10;
- (6) Deleting section 9 of the bill, as it related to the consolidated sections, and renumbering all sections of the bill consecutively; and
- (7) Making a number of technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 116, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 116, HD 2, SD 2, CD 1.

Representatives Hiraki, Tom, Takumi, Yamane and Moses,
Managers on the part of the House.

Senators Sakamoto, Chumbley, Kawamoto, Matsunaga, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 33 on H.B. No. 1012

The purpose of this bill is to clarify that the superintendent's authorized representative to approve the suspension of a student for up to 92 school days for the possession of a dangerous weapon, switchblade knife, intoxicating liquor, or illicit drugs while attending school, must be the district superintendent or deputy district superintendent with authority over the student.

Your Committee, in Conference Draft 1, amended this bill to provide that the superintendent, the deputy superintendent, or the district superintendent with authority over the child is authorized to approve the suspension of a student for up to 92 school days for the possession of a dangerous weapon, switchblade knife, intoxicating liquor, or illicit drugs while attending school.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1012, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1012, SD 1, CD 1.

Representatives Stegmaier, Tom, Morita, Yamane and McDermott,
Managers on the part of the House.

Senators Tam, Aki, Chumbley, Matsunaga and Sakamoto,
Managers on the part of the Senate.

Conf. Com. Rep. 34 on H.B. No. 1841

The purpose of this bill is to streamline functions of the State Health Planning and Development Agency (SHPDA) and allow the agency to evolve from one that is designed for a fee-for-service health care environment to one that is adaptable to a managed care environment.

Specifically, this bill:

- (1) Provides a definition of "primary care clinic" and clarifies that these facilities are limited to clinics for outpatient services, and do not include health care facilities, such as hospitals, that provide inpatient health care services;
- (2) Removes the list of facilities included in the definition of "organized ambulatory health care facility", thereby allowing SHPDA to differentiate between the private practice of medicine and organized ambulatory health care facilities;
- (3) Deletes the requirement that SHPDA prepare and execute an annual implementation plan that guides SHPDA in achieving the system of care envisioned in the state health services and facilities plan;
- (4) Specifies that SHPDA has as a principal function, the responsibility for promoting accessibility for all people of the State to quality health care services at reasonable cost;
- (5) Clarifies the type of information that providers of health care are required to provide SHPDA;
- (6) Requires SHPDA to publish in a newspaper of general circulation, a legal notice of the administrative review of applications received by SHPDA;
- (7) Allows interested persons to request a public meeting before SHPDA renders its decision on applications;
- (8) Reduces from thirty days to ten working days, the amount of time a person may request SHPDA to reconsider its decision;
- (9) Establishes a fine of up to \$2,000 for anyone who violates the requirements for a certificate of need; and
- (10) Expands the exemptions from the requirement for certificates of need.

Your Committee finds that SHPDA's shift of focus from cost control to access is necessary and appropriate. By accomplishing that adjustment in SHPDA, this measure is essential for the rural areas of the State where marketplace competition is virtually nonexistent due to small populations.

Your Committee believes that the penalty provisions of this bill needed clarification and amended this bill by providing a hearing opportunity requirement prior to the assessment of the administrative penalty and by setting forth the criteria for a prima facie case for collecting the penalty.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1841, HD 3, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1841, HD 3, SD 2, CD 1.

Representatives Santiago, Tom, Kawakami, Kahikina and Fox,
Managers on the part of the House.

Senators Metcalf, Levin, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 35 on H.B. No. 65

The purpose of this bill is to require pawnbrokers to take a photo or fingerprints of a customer who does not have verification of identity, and retain the photo or fingerprints on file.

Upon careful consideration, your Committee has amended this bill by requiring a pawnbroker to take a customer's thumbprint and to retain the thumbprint on file instead of a photo or fingerprints.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 65, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 65, HD 1, SD 1, CD 1.

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

Senators Baker, D. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 36 on H.B. No. 113

The purpose of this bill is to revise provisions of the controlled substances law.

Upon further consideration and agreement, this measure has been amended to allow the Narcotics Enforcement Division of the Department of Public Safety to place substances into schedules I, II, III, IV, or V on a temporary basis to address or avoid a current or imminent danger to the health and safety of the public.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 113, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 113, HD 1, SD 1, CD 1.

Representatives Tom, Case, Jones, Yamane and Pendleton,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 37 on H.B. No. 107

The purpose of this bill is to make records of certain adjudicated juvenile law violators open to the public.

Upon further consideration and agreement, this measure was amended to make legal proceedings related to certain juveniles taken into custody for a serious, violent, or repeat offense open to the public.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 107, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 107, HD 1, SD 1, CD 1.

Representatives Tom, Herkes, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 38 on H.B. No. 1451

The purpose of this bill as received is to:

- (1) Repeal chapters 486E and 486I, Hawaii Revised Statutes (HRS), to consolidate petroleum industry reporting under the department of business, economic development, and tourism;
- (2) Amend chapter 486H, HRS, to add a new section to provide certain restrictions on company operated retail service stations and provide certain protection for dealer operated retail service stations.

Your Committee has amended this measure to:

- (1) Add legislative findings and declarations;
- (2) Rename -5, "summary reports", to "analysis of information; audits and inspections; summary reports", and to include the expanded language of the original bill;
- (3) Add a new section, -11, powers of the Public Utilities Commission;
- (4) Add a new part II, petroleum advisory council, establishment, and duties;
- (5) Delete proposed language in 486H- , related to acquiring in any manner existing company operated or dealer operated retail service stations;
- (6) Delete the proposed ratio language concerning company operated to dealer operated;
- (7) Change distance between new company operated stations and dealer operated stations from two miles to one-eighth mile in an urban area, and one-quarter mile in other areas, and define the terms "urban" and "other areas";
- (8) Amend the proposed lease renewal language to further clarify the lease rent caps, provided that these provisions shall not apply to any existing contracts that may be in conflict with the provisions;
- (9) Add language that nothing in the section shall prohibit a dealer from selling a retail service station;
- (10) Repeal section 486H-10, Hawaii Revised Statutes;
- (11) Delete the instructions to the Revisor of Statutes; and
- (12) Make technical, nonsubstantive amendments for the purpose of clarification and to follow standard drafting format.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1451, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1451, HD 1, SD 1, CD 1.

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

Senators Baker, D. Ige and Solomon,
Managers on the part of the Senate.

Conf. Com. Rep. 39 on H.B. No. 1287

The purpose of this bill is to provide that if contractors, subcontractors, and materialmen who perform work or provide materials for state construction projects are not paid amounts due for their nondisputed, completed work, and delivered materials, they may immediately pursue the bond posted for that job.

Your Committee has amended this bill by:

- (1) Providing that written notice be served by registered or certified mailing of the notice, and not by facsimile transmission; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1287, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1287, HD 1, SD 2, CD 1.

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

Senators M. Ige, Bunda, Fernandes Salling, Fukunaga, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 40 on H.B. No. 1686

The purpose of this bill is to make the state procurement system more efficient by, among other things:

- (1) Allowing the Director of Taxation to waive the tax clearance requirements in certain cases to expedite the procurement process;
- (2) Requiring all state and county procurement officers or agents to withhold final payment of a contract until the receipt of tax clearances from the Director of Taxation and the Internal Revenue Service;
- (3) Limiting the application of preferences to competitive sealed bidding and competitive sealed proposals;

- (4) Allowing procurement preference to a bidder who has filed all state tax returns and paid all amounts owing on such returns for:
 - (a) Two successive years before submitting a bid that is \$5,000,000 or less provided the bid is not more than seven percent higher than any competitor's bid; and
 - (b) Four successive years before submitting a bid that is more than \$5,000,000 provided the bid is not more than seven percent higher than any competitor's bid;
- (5) Increasing the small purchase threshold for goods and services from under \$10,000 to under \$25,000; and
- (6) Making amendments to the Hawaii Products Preferences Law.

Your Committee has amended this bill by:

- (1) Specifying that the provisions of the section relating to tax clearances in the bill are not applicable to any contracts under \$25,000;
- (2) Amending Act 314, Session Laws of Hawaii 1996, to clarify the application of the tax clearance requirements;
- (3) Making amendments to chapter 103, Hawaii Revised Statutes (HRS), similar to those made to chapter 103D, HRS, regarding the waiver of tax clearances and the withholding of final payment of a contract until the receipt of tax clearances;
- (4) Changing the effective date of the bill to October 1, 1997, except for section 3 of the bill, which is to take effect on July 1, 1997; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1686, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1686, HD 1, SD 2, CD 1.

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

Senators M. Ige, Bunda, Fernandes Salling, Fukunaga, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 41 on H.B. No. 1675

The purpose of this bill is to require the Department of Labor and Industrial Relations (DLIR) to:

- (1) Regulate cranes and other hoisting machines, and their operators; and
- (2) Adopt rules within one year of the effective date of the Act, with the advice of affected employee and employer groups, regulating crane and hoisting machines and their operators with respect to construction, demolition, and excavation work.

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

- (1) Amending section 396-3, Hawaii Revised Statutes (HRS), to add definitions for "hoisting machine" and "hoisting machine operator";
- (2) Deleting the provision requiring DLIR to adopt rules regarding construction, demolition, and excavation work;
- (3) Requiring the director of DLIR to consult with affected labor organizations, labor/management organizations, and management organizations with expertise in local hoisting operation training and practical testing experience, to develop in consultation with the industry recommendations for certification and a plan for implementing certification of hoisting machine operators;
- (4) Providing that the recommendations shall include:
 - (a) Minimum certification requirements, including approved apprenticeships or training programs;
 - (b) Minimum proficiency requirements for certification exams;
 - (c) Provisions for oral or reader-assisted exams for applicants unable to pass the written exam;
 - (d) Qualifications for test administration organizations contracted by the department, with priority to be given to organizations with expertise and experience in the State;
 - (e) Certification exemption requirements;
 - (f) Procedures for certification issuance, renewal, revocation, and suspension;
 - (g) Classifications of certification;

- (h) Applicable definitions; and
- (i) Other items relevant to the certification issue;
- (5) Requesting that the director submit to the Legislature prior to the convening of the 1998 regular session a report that includes:
 - (a) Recommendations for certification of hoisting machine operators;
 - (b) A plan for certification implementation procedures; and
 - (c) Additional concerns of the various affected organizations; and
- (6) Providing that the Act shall take effect upon approval, except as to section 2 of the Act which shall be effective on July 1, 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1675, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1675, HD 2, SD 1, CD 1.

Representatives Menor, Suzuki, Garcia, Lee and Ward,
Managers on the part of the House.

Senators Baker, D. Ige, Fukunaga, Kanno and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 42 on H.B. No. 1771

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 2 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 2 for the fiscal biennium 1997-1999.

Your Committee has amended this bill by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 2;
- (2) Changing the effective date of this measure to July 1, 1997; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1771, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1771, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 43 on H.B. No. 1774

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 5 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 5 for the fiscal biennium 1997-1999.

Your Committee has amended this measure by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 5;
- (2) Changing the effective date of this measure to July 1, 1997; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1774, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1774, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 44 on H.B. No. 1776

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 7 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 7 for the fiscal biennium 1995-1997.

Your Committee has amended this bill by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 7;
- (2) Changing the effective date of this measure to July 1, 1997; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1776, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1776, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 45 on H.B. No. 1777

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 8 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 8 for the fiscal biennium 1995-1997.

Your Committee has amended this bill by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 8;
- (2) Changing the effective date of this measure to July 1, 1997; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1777, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1777, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 46 on H.B. No. 1778

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 9 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 9 for the fiscal biennium 1997-1999.

Your Committee has amended the bill by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 9;
- (2) Changing the effective date of this measure to July 1, 1997; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1778, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1778, HD 1, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 47 on H.B. No. 1792

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 11 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 11 for the fiscal biennium 1997-1999.

Your Committee has amended this bill by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 11; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1792, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1792, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 48 on H.B. No. 979

The purpose of this bill is to increase the cigarette excise tax from 3.00 to 5.50 cents for each cigarette after June 30, 1997, and to increase the tobacco products excise tax from forty to fifty percent of the wholesale price. The bill also requires tax-exempt cigarettes to be identified and prohibits their sale unless authorized by license or law.

The bill has been amended by deleting the provisions relating to the increase in the cigarette excise tax and the tobacco products excise tax.

It is your Committee's understanding that if cigarettes are shipped directly to a wholesaler, the wholesaler is required to:

- (1) Determine, at the point the sale is made, whether the sale is taxable or non-taxable; and
- (2) Meet the identification requirements established by this measure.

Conversely, if a manufacturer ships directly to a non-civilian customer, the manufacturer bears the responsibility of meeting these requirements.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 979, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 979, HD 2, SD 1, CD 1.

Representatives Santiago, Say, Kahikina, Suzuki and Marumoto,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga and Levin,
Managers on the part of the Senate.

Conf. Com. Rep. 49 on H.B. No. 1664

The purpose of this bill is to authorize Hawaii's participation in the Western Governors University by:

- (1) Designating the Board of Regents of the University of Hawaii to serve as a member of the Western Governors University on behalf of the State; and
- (2) Appropriating funds for membership in the Western Governors University.

Your Committee has amended this bill by:

- (1) Changing the appropriation from \$1 to \$100,000 for fiscal year 1997-1998, for membership in the Western Governors University; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1664, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1664, HD 1, SD 2, CD 1.

Representatives Morihara, Chang, Ahu Isa, Tarnas and Meyer,
Managers on the part of the House.

Senators Aki, Tam, D. Ige and Taniguchi,
Managers on the part of the Senate.

Conf. Com. Rep. 50 on H.B. No. 417

The purpose of this bill is to ensure funding for the Hawaii statewide trail and access program (Na Ala Hele). This bill would deposit a proportional share of fuel tax revenues, user fees, and private funds into the special land and development fund.

Your Committee finds that the continued success of this program requires a stable funding base. Providing funds from the fuel tax for the Na Ala Hele program will allow the Department of Land and Natural Resources to rely on a continuous source of funds to properly manage, maintain, and develop trails and trail accesses.

Your Committee has amended this bill by appropriating \$200,000 to the special land and development fund for the fiscal year 1997-1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 417, HD 3, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 417, HD 3, SD 1, CD 1.

Representatives Hamakawa, Hiraki, Kanoho, Goodenow and Marumoto,
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Kawamoto, Tanaka and Aki,
Managers on the part of the Senate.

Conf. Com. Rep. 51 on S.B. No. 135

The purpose of this bill is to:

- (1) Amend section 459-1.5, Hawaii Revised Statutes (HRS), to add a definition of "surgery";
- (2) Amend section 459-1, HRS, to clarify the scope of optometric practice;
- (3) Repeal section 459-15, HRS; and
- (4) Amend Act 292, Session Laws of Hawaii 1996, to require completion of one hundred hours of preceptorship under the supervision of an ophthalmologist as part of the certification process; require completion of fifty hours of continuing education as a condition of biennial license renewal; change the effective date for establishment and operation of the joint advisory formulary committee; and for rulemaking to implement certification standards and criteria from July 1, 1999, to July 1, 1997.

Your Committee has amended this bill to:

- (1) Reflect changes pertaining to the foreign body removal in section 459-1, HRS by deleting the prohibition of the use of sharp instruments; and
- (2) Add a continuing education credit of thirty-six hours.

Your Committee notes these amendments are mutually agreed to by the Hawaii Optometric Association and the Hawaii Ophthalmological Society, and your Committee is very appreciative of the work of these professional organizations in drafting these amendments.

Your Committee has also made technical, nonsubstantive amendments to conform to standard drafting language.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 135, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 135, SD 1, HD 2, CD 1.

Representatives Santiago, Menor, Cachola, Lee and Whalen,
Managers on the part of the House.

Senators Baker, D. Ige, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 52 on S.B. No. 512

The purpose of this bill is to add a new section to chapter 453, Hawaii Revised Statutes (HRS), which authorizes the issuance of a training replacement temporary license to a physician for the purpose of substituting for another physician licensed in this State.

Your Committee has amended this bill by reinserting language from a previous draft of the bill, which was deleted inadvertently. The language amends section 453-2(b), HRS, to include in-person, mail, electronic, telephone, fiber-optic, or other telemedicine consultation with a licensed practitioner in this State.

Your Committee has also made technical, nonsubstantive amendments to conform to standard drafting language.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 512, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 512, SD 2, HD 2, CD 1.

Representatives Santiago, Menor, Cachola, Saiki and Kawanakoa,
Managers on the part of the House.

Senators Baker, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 53 on S.B. No. 175

The purpose of this bill is to allow the Department of Land and Natural Resources (Department) flexibility to adopt rules authorizing the limited possession, cultivation, and sale of selected endangered and threatened land plants.

Your Committee on Conference amended this bill by mandating that the Department adopt rules authorizing the limited possession, cultivation, and sale of selected endangered and threatened land plants.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 175, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 175, HD 1, CD 1.

Representatives Yoshinaga, Kanoho, Goodenow, Tarnas and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf, Chun Oakland, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 54 on S.B. No. 373

The purpose of this bill is to make housekeeping amendments to certain provisions of the water pollution law, chapter 342D, Hawaii Revised Statutes (HRS).

Specifically, the measure:

- (1) Prohibits the Director of Health from granting or denying an application for the issuance or renewal of a permit without affording any person who comments on a proposed permit during the public comment period an opportunity for a hearing in accordance with chapter 91, HRS;
- (2) Specifies that a request for a hearing, a hearing, and any judicial review of a hearing shall not stay the effect of the issuance or renewal of a permit unless specifically ordered by the Director of Health or a court;
- (3) Clarifies that section 342D-6(d), HRS, pertains to water pollution permits; and
- (4) Establishes conditions under which the Director of Health may modify, suspend, revoke, or revoke and reissue any sludge permit.

Your Committee finds that this measure is necessary to provide consistency with federal regulations and to ensure protection of our waters.

Upon further consideration, your Committee has amended the measure by making a technical, nonsubstantive amendment for the purpose of style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 373, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 373, HD 1, CD 1.

Representatives Yoshinaga, Tom, Goodenow, Yamane and Thielen,
Managers on the part of the House.

Senators Levin, Metcalf, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 55 on S.B. No. 165

The purpose of this bill is to promote the donation of pharmaceuticals and healthcare supplies by providing an exception to liability for charitable, religious, and nonprofit organizations that distribute these donated supplies.

Presently, organizations that distribute donated food items to families and individuals that are unable to afford these basic staples of life are afforded protection from liability.

However, there does not exist similar protection for organizations that wish to distribute pharmaceuticals and healthcare supplies to equally needy families and individuals.

Therefore, your Committee believes that it would be in the best interest of Hawaii's people to extend to the donation of these items, similar protection presently afforded to the donation of food under the Donation of Food law (chapter 145D, Hawaii Revised Statutes).

Your Committee has amended the bill by making technical, nonsubstantive revisions.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 165, SD 2, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 165, SD 2, HD 1, CD 1.

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

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

Conf. Com. Rep. 56 on S.B. No. 1554

The purpose of this bill is to provide for an expedited appeals process for cases heard by the Hawaii Housing Authority (HHA) for termination of leases and for eviction of tenants.

Your Committee finds that the Board of Commissioners of the HHA currently hears all appeals of the HHA. The HHA has testified that this is cumbersome and has resulted in a delay in evictions, resulting in a backlog of cases that go back for 8 to 10 months before eviction. This bill proposes to expedite the appeals process by allowing the HHA to appoint an appeals board in each county to hear appeals, in addition to the HHA.

Your Committee has amended S.B. No. 1554, SD 1, HD 2, to change the reference from "authority commission" to "authority," in the amendment to section 360-4, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1554, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1554, SD 1, HD 2, CD 1.

Representatives Arakaki, Tom, Saiki, Yamane and Whalen,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Levin, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 57 on S.B. No. 1879

The purpose of this bill is to allow adult residential care homes (ARCH) to admit patients requiring nursing home level care.

Your Committee finds that the elderly population in Hawaii is increasing, as well as the costs of long-term nursing home care. For these reasons, it is even more imperative that alternative forms of long-term care be made available for our senior citizens as well as for other individuals who would otherwise require much more expensive institutional long-term care in nursing homes.

Your Committee further finds that allowing ARCHs to admit patients requiring nursing home level care would provide such individuals the care they need at a more affordable rate. However, your Committee also believes that this kind of an expansion needs to be approached with caution to ensure the resident's care, safety, and well-being in addition to the proper training of ARCH operators and employees.

It is the intent of your Committee to provide for the expansion of the demonstration wait-list project at Maluhia to serve as the pilot model for other ARCHs to admit private pay nursing home level care patients and patients who are in home and community care settings as well as hospitals. It is also the intent of your Committee that this project be expanded to ARCHs on the neighbor islands as well. However, until expansion on the other islands actually occurs, your Committee expects that the current level of funding will continue for these patients.

Your Committee has amended S.B. No. 1879, SD 2, HD 2, by:

- (1) Clarifying that a type I home shall have no more than "two individuals," instead of "two private pay individuals," at the nursing home level or intermediate care level; and
- (2) Adding to section 3 of the bill that the purpose of this part is to "specify the following rules for its implementation as the State's demonstration."

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1879, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1879, SD 2, HD 2, CD 1.

Representatives Arakaki, Santiago, Kawakami, Abinsay and Pendleton,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Fernandes Salling, Fukunaga, Levin, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 58 on S.B. No. 1619

The purpose of this bill is to provide fines of \$150 to \$300 for parking in a stall reserved for disabled persons. This bill also provides for signage requirements for parking stalls reserved for disabled persons, and reiterates that parking in a stall identified and reserved for disabled persons is illegal.

Your Committee upon further consideration has made the following amendments to S.B. No. 1619, HD 2:

- (1) Amending section 5 of the bill by setting out section 291-51, Hawaii Revised Statutes, in its entirety and adding new definitions for "parking space reserved for disabled persons" and "sign designating the parking space as reserved for disabled persons" and by amending the definition of "disabled person"; and
- (2) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1619, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1619, HD 2, CD 1.

Representatives Hiraki, Tom, Yamane, Yonamine and Marumoto,
Managers on the part of the House.

Senators Sakamoto, Kawamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 59 on S.B. No. 377

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

- (1) Require health care providers to report blood test results of patients to the police if:
 - (A) The patient's blood alcohol content meets or exceeds the legal intoxication limit; and
 - (B) The patient was involved in a motor vehicle accident; and
- (2) Provide these health care providers with immunity from civil liability when they comply with the aforementioned requirement in good faith.

There is an immediate danger to public safety when a health care provider has no choice but to release an intoxicated person into the community after being involved in a motor vehicle accident. Although the health care provider may be aware that the person being treated has a blood alcohol content that meets or exceeds the legal limit, the health care provider is prohibited from divulging this information to law enforcement officers because of ethical duty of patient confidentiality.

Your Committee believes that the public safety will be better served by requiring health care providers to notify police of the blood alcohol content of intoxicated patients who were involved in a motor vehicle accident.

Your Committee has amended the bill by referencing section 291-4 as the correct section that contains the legal intoxication limit and by making a technical, nonsubstantive amendment.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 377, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 377, SD 2, HD 2, CD 1.

Representatives Santiago, Tom, Stegmaier, Yamane and Pendleton,
Managers on the part of the House.

Senators Metcalf, Levin, Chumbley and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 60 on S.B. No. 835

The purpose of this bill is to provide the peer review activities of Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and Preferred Provider Networks (PPNs) the same protections against discovery and liability that are currently given to peer review committees in hospitals, clinics, and group practices.

HMOs, PPOs, and PPNs are required by the state and federal government (QUEST, Medicare) to engage in effective peer review activities in order to ensure quality delivery of care to patients. Further other employers and outside agencies are also requiring that such peer review functions be performed. Physicians working within these settings do not feel protected against discovery and liability and, thus, refuse to participate in required peer review activities. This lack of cooperation interferes with the ability of the HMOs, PPOs, and PPNs to conduct the mandated peer review, and denies patients the quality improvement benefits that result from effective peer review activities.

Your Committee has amended the bill to clarify the definition of a "peer review committee" to mean a committee whose function is to maintain the standards of health professionals.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 835, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 835, SD 1, HD 1, CD 1.

Representatives Santiago, Menor, Cachola, Lee and Aiona,
Managers on the part of the House.

Senators Metcalf, Levin, Baker and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 61 on S.B. No. 1589

The purpose of this bill is to authorize the Department of Health to conduct child death reviews to evaluate the incidence and causes of child deaths and develop methods for reducing the number of preventable child deaths.

Your Committee amended this bill by expressly allowing the evidentiary discovery of child death review information in legal proceedings, provided that the discovery of that information is obtained through sources which are unrelated to the child death review process and are not otherwise immune from discovery. Your Committee also made technical, nonsubstantive changes for grammar and consistency.

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

Representatives Santiago, Tom, Lee, Yoshinaga and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 62 on S.B. No. 426

The purposes of this bill are to:

- (1) Establish a culture and the arts revolving fund as an innovative means of making the state Foundation on Culture and the Arts self supporting; and
- (2) Require that the Department of Land and Natural Resources consult with the kahuna nui of the Mo'okini Heiau on all physical and cultural matters relating to the historical sites within the Kohala Historical Sites State Monument.

Your Committee on Conference amended this bill by:

- (1) Establishing that the culture and the arts revolving fund shall be referred to as the "fund";
- (2) Referring to the state Foundation on Culture and the Arts as the "foundation" since it is defined in statute;
- (3) Specifying that revenues from the sale of goods and services shall be deposited into the fund;
- (4) Deleting the mandate that fees, all legislative appropriations, and grants from public agencies be deposited into the fund; and
- (5) Adding a fund expenditure ceiling of \$50,000 annually.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 426, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 426, SD 1, HD 2, CD 1.

Representatives Takai, Say, Ahu Isa, Kahikina and Halford,
Managers on the part of the House.

Senators Aki, Tam, Fernandes Salling, Fukunaga, D. Ige, M. Ige and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 63 on S.B. No. 1160

The purpose of this bill, as received by your Committee, is to require that the Department of Transportation adopt rules for the registration of electric vehicles, and issue special license plates for these vehicles.

The bill also exempts electric vehicles from parking fees, and high occupancy vehicle restrictions. It also waives registration and other fees for a period of four years from the effective date of this Act, and includes a review period every two years to determine the correct level of incentives for the programs' continuation.

Your Committee has amended this bill by extending the waiver period of registration and other fees to five years, and making stylistic and technical, nonsubstantive changes for purposes of style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1160, SD 1, HD 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1160, SD 1, HD 3, CD 1.

Representatives Yoshinaga, Hiraki, Kanoho, Goodenow and Thielen,
Managers on the part of the House.

Senators Sakamoto, Kawamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 64 on S.B. No. 1588

The purpose of this bill is to streamline the process for committing and releasing mentally incompetent defendants.

Specifically, in nonfelony cases, this bill allows mental health examinations to be conducted by one rather than three examiners and requires that the examiner be a psychiatrist or a psychologist. In felony cases, this bill requires three examiners which include at least one psychiatrist and one psychologist. The bill also limits the time period during which a defendant, if not then confined, may be committed by the court for examination, to not more than thirty days unless the court determines it necessary upon written findings. This bill permits mental health or other appropriate professionals to make decisions regarding treatment and hospitalization.

Your Committee believes that permitting persons other than mental health professionals to make treatment and hospitalization decisions is inappropriate and has amended this bill by deleting all references to treatment by "other

appropriate" professionals, allowing rather than requiring the courts to appoint a psychiatrist or licensed psychologist in nonfelony cases, and making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1588, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1588, SD 1, HD 2, CD 1.

Representatives Santiago, Tom, Hiraki, Lee and Pendleton,
Managers on the part of the House.

Senators Metcalf, Levin, Chumbley and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 65 on S.B. No. 130

The purpose of this bill is to regulate the registration of special interest vehicles. This measure defines the term "special interest vehicle" to mean a vehicle of any age that, because of its significance, is being collected, preserved, restored, or maintained by a collector; includes a street rod vehicle and a street rod replica vehicle; a vehicle manufactured before 1949; and a vehicle manufactured after 1948 to resemble a vehicle manufactured before 1949.

This bill also exempts special interest vehicles from requirements for reconstructed vehicles.

Your Committee upon further consideration has amended S.B. No. 130, SD 1, HD 2, by:

- (1) Adding section 286-27, Hawaii Revised Statutes, and including in this section, language similar to Senate language exempting official inspection stations from liability due to these special interest vehicles, provided that the inspection station meets application requirements, and exercises due diligence in inspecting special interest vehicles with applicable standards for motor vehicles and safety equipment; and
- (2) Making technical, nonsubstantive changes for the purpose of style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 130, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 130, SD 1, HD 2, CD 1.

Representatives Hiraki, Tom, Takumi, Yamane and Whalen,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 66 on S.B. No. 382

The purpose of this bill is to allow the examiner of drivers to waive actual demonstration of the ability to operate a motorcycle or motor scooter upon showing proof that the person has completed the motorcycle education course.

The bill also requests the Director of Transportation to review the skill test included in all motorcycle and motor scooter education courses in the State of Hawaii to determine which courses qualify for the waiver provided in this measure.

Your Committee, upon further consideration has amended S.B. No. 382, SD 1, HD 1, by replacing the section symbol with the word "section" and deleting the reference to Hawaii Revised Statutes, for correct drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 382, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 382, SD 1, HD 1, CD 1.

Representatives Hiraki, Tom, Takumi, Yamane and Whalen,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Kanno, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 67 on S.B. No. 991

The purpose of this bill is to:

- (1) Establish implied consent provisions relative to blood and urine testing for driving under the influence of drugs; and
- (2) Provide penalties for persons suspected of being under the influence of drugs, but who refuse to be tested for possible drug usage.

Your Committee finds that the alarming increase in illegal drug use in our State raises concerns about public safety because these drug users are undoubtedly driving while impaired by illegal drugs. Yet, current laws against driving under the influence of drugs are difficult to enforce due to the absence of any penalty for refusing to give a urine sample for toxicological testing to determine the presence of drugs in a person's body.

Your Committee further finds that in order to effectively prosecute persons driving under the influence of drugs, police officers must be allowed to request a driver to submit to a drug test in the same manner in which "implied consent" applies to drunk drivers.

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

- (1) Expanding the period in which drug enforcement contacts are to be considered when determining a revocation period from August 1, 1991, to any drug enforcement contact occurring prior to the effective date of the bill;
- (2) Adding sections to the bill that amend sections 286-162.5 and 286-162.6, Hawaii Revised Statutes, to authorize roadblocks for drug control;
- (3) Adding a section to the bill that amends section 286-163, Hawaii Revised Statutes, to include being under the influence of drugs under the scope of mandatory testing in the event of a collision resulting in injury or death; and
- (4) Making numerous technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee believes that the amended bill will help make Hawaii's streets and highways safer.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 991, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 991, SD 2, HD 2, CD 1.

Representatives Hiraki, Tom, Case, Yamane and Whalen,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 68 on S.B. No. 1197

The purpose of this bill is to revise the length of time that drivers' licenses are valid, based upon the driver's age. The bill provides for six-year licenses for ages 18 to 71 years; four-year licenses for ages 15 to 17 years; and two-year licenses for ages 72 and over.

Your Committee upon further consideration has amended S.B. No. 1197, SD 1, HD 1, by:

- (1) Deleting the provision allowing the examiner of drivers to waive the actual demonstration of ability to operate a motorcycle or motor scooter for any person who produces evidence to the satisfaction of the examiner of completion of a motorcycle education course which has been approved by the Director of Transportation; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1197, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1197, SD 1, HD 1, CD 1.

Representatives Hiraki, Tom, Takumi, Yamane and Thielen,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 69 on S.B. No. 1621

The purpose of this bill is to expedite the serving of summons and citations for violations relating to High Occupancy Vehicle (HOV) lanes by allowing the Director of Transportation to permit certain vehicles, regardless of the number of occupants, to use the HOV lanes.

This bill also makes permanent the authority of Honolulu Police to mail citations to violators of HOV lanes.

Your Committee upon further consideration has amended S.B. No. 1621, HD 1, by correcting the reference to Act 224 in Section 4 of the bill, appropriately renumbering sections 6 and 7 of the bill as sections 5 and 6, and making a few technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1621, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1621, HD 1, CD 1.

Representatives Hiraki, Tom, Takumi, Yoshinaga and Moses,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Aki and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 70 on S.B. No. 633

The purpose of this bill is to authorize the Kauai planning commission to permit, for a period of two years, the establishment of bed and breakfast operations on lands designated as agricultural. It also allows the commission to grant retroactive approvals to existing operations on agricultural lands on a case-by-case basis.

Your Committee finds that in spite of the clear benefits that bed and breakfast operations provide, burdensome regulations currently prohibit these operations in areas where they may exhibit the greatest potential to expand.

Your Committee believes that allowing bed and breakfast operations on certain agricultural lands, as secondary to the agricultural uses of the lands, will hasten the recovery of Kauai's crippled economy caused by Hurricane Iniki, and also provide visitors with alternative accommodations while hurricane-damaged hotels are being repaired.

Your Committee intends that the Kauai Planning Commission, in granting approvals under this measure, take into consideration, among other factors, the ability of operators to assure food safety and sanitation.

Your Committee has amended this measure by:

- (1) Authorizing, for a period of three years, the planning commission of any county with a population of one hundred thousand or less, that has suffered a natural disaster qualifying for federal disaster relief to:
 - (A) Permit the establishment of bed and breakfast operations on lands within the agricultural district that are fifteen acres or less in size, where the bed and breakfast operations are accessory or secondary to the agricultural uses of the land; and
 - (B) Grant retroactive approvals, on a case-by-case basis, to all existing bed and breakfast operations operating on lands within the agricultural district that are fifteen acres or less in size, where the operations are accessory or secondary to the agricultural uses of the land;
- (2) Making a conforming change to the purpose section of the bill;
- (3) Providing that the authority conferred upon the planning commissions under this measure shall lapse on June 30, 2000;
- (4) Deleting the county commission reporting requirements; and
- (5) Making the measure effective upon approval and providing for a June 30, 2000 repeal date.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 633, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 633, SD 2, HD 2, CD 1.

Representatives Herkes, Takamine, Ito, Kanoho and Aiona,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Kawamoto, Sakamoto, Chumbley, Fernandes Salling, Iwase, Solomon and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 71 on S.B. No. 647

The purpose of this bill, as received, is to provide tort immunity for operators of recreational activities and landowners for certain situations in which services are provided to recreational users. The bill also abolishes joint and several liability for joint tortfeasors.

Your Committee finds that the present law on the use and applicability of liability waivers for participants in recreational activities may leave providers of recreational activities subject to liability in situations where liability is more appropriately assigned to the participant. Your Committee further finds that the liability of landowners should also be limited with respect to persons who are providing services in response to a recreational user requiring assistance. However, your Committee also believes that any further extensions of tort immunity need to be reviewed in a comprehensive manner.

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

- (1) Deleting the provisions related to recreational liability waivers which are contained in H.B. No. 581, HD1, SD1, CD1;
- (2) Deleting the abolition of joint and several liability for joint tortfeasors; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 647, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 647, SD 1, HD 2, CD 1.

Representatives Herkes, Tom, Ito, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, McCartney, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 72 on S.B. No. 718

The purpose of this bill is to allow judges to waive the pre-sentence diagnosis and report under certain specified circumstances.

Your Committee finds that under current law, a pre-sentence diagnosis and report must be prepared for all individuals convicted of a felony offense and all convicted defendants less than twenty-two years of age, unless the report is waived by both the defendant and the prosecuting attorney. Your Committee further finds that in certain cases, the sentence to be imposed is predetermined due to plea agreements or sentencing guidelines, and thus the diagnosis and report are unnecessary.

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

- (1) Deleting the provision allowing waivers for defendants sentenced for various class A felonies;
- (2) Deleting the provision allowing waivers for defendants being sentenced for any mandatory term of imprisonment; and
- (3) Making a technical, nonsubstantive change for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 718, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 718, HD 1, CD 1.

Representatives Tom, Herkes, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 73 on S.B. No. 986

The purpose of this bill is to clarify provisions relating to nonconsensual common law liens and to make such provisions retroactive to all nonconsensual common law liens executed or recorded prior to the effective date of this measure.

Upon further consideration, your Committee on Conference has agreed that increasing the penalties to treble actual damages or an amount not to exceed \$25,000 is excessive and overly punitive. Therefore, your Committee has amended this measure to retain existing law which allows for actual damages or an amount not to exceed \$5,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 986, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 986, SD 1, HD 1, CD 1.

Representatives Tom, Herkes, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 74 on S.B. No. 989

The purpose of this bill, as received by your Committee, is to provide immunity from liability for schools when a person is injured during the commission of a criminal offense involving school property.

Your Committee finds that it is necessary and appropriate to provide immunity for schools and school personnel to facilitate the availability of school grounds for community recreational activities by precluding negligence suits when non-students utilize school grounds without express written authority.

Therefore, upon further consideration, your Committee has adopted in concept the Senate draft to provide that persons who use school grounds for recreational purposes, and who are neither students nor school personnel, assume the risk of liability for injuries sustained except for injuries caused by gross negligence, or wilful or wanton conduct.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 989, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 989, SD 1, HD 1, CD 1.

Representatives Tom, Herkes, Yamane, Yoshinaga and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 75 on S.B. No. 1069

The purpose of this bill is to make procedural and clarifying amendments to Chapter 12, Hawaii Revised Statutes, regarding nomination papers and challenges made to candidates filing papers as a member of a designated party.

Your Committee finds that the provisions of this measure will address various administrative, enforcement, or verification problems which have arisen with regard to the nomination process. Your Committee further finds that these provisions will contribute to the efficiency and validity of the process.

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

- (1) Deleting the requirement that a candidate be a resident and registered voter at the time of filing;
- (2) Deleting the requirement of proof of party membership; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1069, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1069, SD 1, HD 1, CD 1.

Representatives Tom, Herkes, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, McCartney, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 76 on S.B. No. 1267

The purpose of this bill is to create presumptions that child support judgments are paid and discharged on the thirty-third birthday of the child and that a material change in circumstances surrounding a support order is deemed to occur when the amount in the order differs by more than ten per cent with amount calculated under the guidelines.

Additionally, this bill:

- (1) Identifies the parent that applies for services from the child support enforcement agency;
- (2) Requires certified copies of support orders to be sent to the state case registry;
- (3) Makes the child support enforcement agency a party in proceedings if public assistance moneys were paid for the child;
- (4) Specifies that the county attorney represents the child support enforcement agency rather than the custodial parent;
- (5) Clarifies that the child support enforcement agency may charge fees for its services; and
- (6) Includes medical insurance premiums as part of the support order to the father.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1267, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1267, SD 1, HD 1, CD 1.

Representatives Tom, Herkes, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 77 on S.B. No. 5

The purpose of this bill as received is to:

- (1) Clarify the waiver of liability for motorsports participants;
- (2) Require a general liability policy of no less than \$1,000,000 for spectators and no less than \$500,000 for participants, per claim; and
- (3) Indemnify participants for negligence.

Your Committee has amended this measure to require that for the waiver of liability, the waiver or release be signed by both the participant and a witness.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 5, SD 2, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 5, SD 2, HD 1, CD 1.

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

Senators D. Ige, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 78 on S.B. No. 138

The purpose of this bill as received is to allow state-recognized advanced practice registered nurses to provide certain insured mental health and substance abuse services.

Your Committee has amended this measure to:

- (1) Delete the proposed reference to chapter 321, Hawaii Revised Statutes (HRS), in the three definitions but keep the reference to chapter 321 intact throughout the remaining sections;
- (2) Delete references to chapters 453, 460, and 465 in the definition for "alcohol or drug dependence outpatient services" regarding prescriptive authority;
- (3) Allow certain advanced practice nurses to prescribe partial hospitalization services in consultation with a physician or psychologist;
- (4) Allow advanced practice nurses to approve individualized treatment plans for alcohol or drug dependence outpatient or mental health services in consultation with a patient's physician or psychologist; and
- (5) Make technical, nonsubstantive amendments to conform to standard drafting format.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 138, SD 1, HD 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 138, SD 1, HD 3, CD 1.

Representatives Santiago, Menor, Kawakami, Kahikina and Fox,
Managers on the part of the House.

Senators Baker, D. Ige and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 79 on S.B. No. 141

The purpose of this bill as received is to authorize and regulate lease-purchase agreements for the lease-purchase of personal property.

Your Committee has amended this measure to:

- (1) Amend the definition of "cash price";
- (2) Amend § -3, by amending the section title to read "agreements exempt from other laws" and including references to chapter 476 and article 2A or 9 of chapter 490, Hawaii Revised Statutes;
- (3) Delete § -11, supplementary provisions, as the references in this section are now covered under § -3;
- (4) Move § -15, provisions prohibited in agreements to § -4; and
- (5) Make technical amendments to conform to standard drafting format.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 141, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 141, SD 1, HD 1, CD 1.

Representatives Menor, Cachola, Lee, Yoshinaga and Whalen,
Managers on the part of the House.

Senators Baker, D. Ige and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 80 on S.B. No. 152

The purpose of this bill as received is to:

- (1) Require badges for time share sales personnel;
- (2) Provide for civil cause of action for violation of the chapter; and
- (3) Amend section 514E-11(11), Hawaii Revised Statutes, regarding signage requirements for time share booth.

Your Committee has amended this measure to:

- (1) Require badges for agents engaged in off-premises activity, and define off-premises;
- (2) Delete the proposed requirement for the badge to contain the licensee's name, license number, and picture;
- (3) Provide for a fine of \$50 for each violation of either badge or signage requirements, for an maximum aggregate amount of \$500; and

- (4) Make the effective date of the Act July 1, 1997.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 152, SD 2, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 152, SD 2, HD 1, CD 1.

Representatives Menor, Tom, Herkes, Yamane and Pendleton,
Managers on the part of the House.

Senators Baker, D. Ige and Chumbley,
Managers on the part of the Senate.

Conf. Com. Rep. 81 on S.B. No. 656

The purpose of this bill as received is to allow state-recognized certified social workers to provide certain insured mental health and substance abuse services.

Your Committee has amended this measure to:

- (1) Change "certified social worker" to "clinical social worker" in the definitions and throughout;
- (2) Delete the proposed reference to chapter 321, Hawaii Revised Statutes (HRS), in the three definitions but keep the reference to chapter 321 intact throughout the remaining sections;
- (3) Delete proposed language in the definition for "alcohol or drug dependence outpatient services" regarding prescriptive authority;
- (4) Allow clinical social workers to prescribe partial hospitalization services in consultation with a physician or psychologist;
- (5) Allow clinical social workers to approve individualized treatment plans for alcohol or drug dependence outpatient or mental health services in consultation with a patient's physician or psychologist; and
- (6) Make technical, nonsubstantive amendments to conform to standard drafting format.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 656, SD 1, HD 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 656, SD 1, HD 3, CD 1.

Representatives Santiago, Menor, Kawakami, Kahikina and Fox,
Managers on the part of the House.

Senators Baker, D. Ige and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 82 on S.B. No. 1114

The purpose of this bill as received is to:

- (1) Add a definition of "continuing education" for real estate brokers and salespersons;
- (2) Remove the waivers from continuing education requirements for license renewal;
- (3) Eliminate the authority of the Real Estate Commission to provide continuing education activities and delete the real estate education fund which funds these kinds of activities effective July 1, 1998, at which time a private organization may be allowed to administer the continuing education program; and
- (4) Require the Legislative Reference Bureau to conduct a study, including developing appropriate legislation to propose to the Legislature, on the privatization of the continuing education program for real estate licenses.

Your Committee has amended this bill to keep the real estate education fund intact and to make five technical, nonsubstantive amendments for clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1114, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1114, SD 1, HD 1, CD 1.

Representatives Menor, Herkes, Yamane and Whalen,
Managers on the part of the House.

Senators Baker, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 83 on S.B. No. 1191

The purpose of this bill as received is to authorize insurers to acquire investments in investment pools and set limitations on repurchase, reverse purchase, and dollar roll transactions.

Your Committee on Conference, in consultation with the Department of the Attorney General, has determined that there may be a subject-title problem with H.B. No. 1899, HD 1, SD 1, which can be avoided by placing the contents of H.B. No. 1899, HD 1, SD 1, into this bill and placing the contents of this bill into H.B. No. 1899, HD 1, SD 1, CD 1.

For discussion of the changes to the previous contents of this bill, your Committee directs attention to the conference committee report for H.B. No. 1899, HD 1, SD 1, CD 1.

The purpose of H.B. No. 1899, HD 1, SD 1, as received, is to conform state law with the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 so that the State may retain its jurisdiction over health insurance, and provide for a task force to review HIPAA to recommend further adoptions of the Act.

Your Committee has amended the HIPAA bill to:

- (1) Amend the definition of "employee" to delete language regarding an employee who works between seventeen and one-half and twenty hours per week;
- (2) Allow the insurance commissioner to exempt a group health issuer from offering group health plans to small employers if the commissioner determines that the issuer does not have the capacity to deliver services adequately to additional groups given its obligation to existing employer groups;
- (3) Delete proposed language requiring the commissioner to adopt rules to address availability of individual health insurance, and to consider a mechanism to allow entry of any health issuer into the individual market; and
- (4) State that the adoption of HIPAA for the purposes of title 24 is not an adoption for any purposes for income taxes under chapter 235, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1191, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1191, SD 1, HD 1, CD 1.

Representatives Menor, Garcia, Yamane and Whalen,
Managers on the part of the House.

Senators D. Ige, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 84 on S.B. No. 1487

The purpose of this bill as received is to protect consumers of health care plans that are issued by mutual benefit societies by regulating the financial solvency of these mutual benefit societies. Similar requirements enacted in 1995 apply to health maintenance organizations.

Your Committee has amended the bill to: (1) delete a duplication of language regarding minimum net worth; and (2) make technical amendments to conform to standard drafting language.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1487, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1487, SD 1, HD 1, CD 1.

Representatives Menor, Herkes, Lee, Saiki and Aiona,
Managers on the part of the House.

Senators D. Ige, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 85 on S.B. No. 1522

The purpose of this bill as received is to update the regulatory scheme governing dispensing opticians to:

- (1) Repeal the board of dispensing opticians and assign administration of the program to the director of commerce and consumer affairs;
- (2) Repeal the requirement for a person or entity to obtain a license to operate a dispensing optician business;
- (3) Repeal references to the state board-constructed practical examination, which is now obsolete;
- (4) Repeal the requirement for a business to report the names of its dispensing optician apprentices;
- (5) Repeal the requirement that a dispensing optician shall give the client written notice that the client should return to the prescribing ophthalmologist or optometrist to ensure that the client has received lenses of the proper fit and prescription; and
- (6) Make housekeeping amendments.

Your Committee has amended the bill by adding provisions to:

- (1) Allow licensed opticians to wear identification tags for the purpose of identifying to the customer that the person is a licensed dispensing optician;

- (2) Require the Director to appoint an advisory committee to serve as experts for licensing matters; and
- (3) Require that the current members of the board of dispensing opticians shall be appointed to the initial advisory committee to complete the remainder of their terms.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1522, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1522, SD 1, HD 1, CD 1.

Representatives Menor, Cachola, Herkes, Lee and Aiona,
Managers on the part of the House.

Senators Baker, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 86 on S.B. No. 1901

The purpose of this bill as received is to amend chapter 514E, Hawaii Revised Statutes, to:

- (1) Add two new sections to prohibit developers from selling the right to use more weeks or nights than are available in the time share plan; and
- (2) Add a new definition for "one-to-one use-right to use-night requirement".

Your Committee has amended this measure to:

- (1) Clarify that a use night counted to satisfy the requirement for one class may not also satisfy the requirement for a competing class;
- (2) Clarify that the provisions do not prohibit rental by the association or developer, or use by the owners, of any use nights unreserved as of sixty or fewer days in advance of the use night, provided that any use rights shall not be considered in determining whether the one-to-one use-right to use-night requirement is satisfied; and
- (3) Make the effective date of the Act, July 1, 1997.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1901, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1901, SD 1, HD 1, CD 1.

Representatives Menor, Cachola, Herkes, Lee and Whalen,
Managers on the part of the House.

Senators Baker, D. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 87 on S.B. No. 817

The purposes of this bill are to:

- (1) Repeal obsolete statutes;
- (2) Require that the Department of Education (DOE) establish rules to allow school/community-based management councils to develop community service programs and require community service for high school graduation; and
- (3) Prohibit the DOE from assigning probationary teachers to special needs schools.

Your Committee on Conference amended this bill by:

- (1) Deleting part I which repealed obsolete statutes;
- (2) Adding a purpose section and amending the community service section by requiring that the Board of Education establish guidelines to foster volunteer relationships between schools and service providers;
- (3) Deleting part III which prohibited probationary teachers from being assigned to special need schools; and
- (4) Making technical, nonsubstantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 817, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 817, SD 1, HD 1, CD 1.

Representatives Stegmaier, Morihara, Morita and Moses,
Managers on the part of the House.

Senators Tam, Aki, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 88 on S.B. No. 870

The purpose of this bill is to authorize counties to regulate operation of a pickup truck with a passenger in the bed or load-carrying area. This measure also imposes fines of not less than \$25 and not more than \$100 for each separate violation.

Your Committee upon further consideration has amended S.B. No. 870, SD 2, HD 2, by:

- (1) Prohibiting passengers who are twelve years of age and under from riding in the bed or load-carrying area of any pickup truck, except when:
 - (A) An emergency exists that threatens the life of passengers in the bed or load-carrying area; or
 - (B) The vehicle is being operated in parades, caravans, or exhibitions that are permitted by law.
- (2) Providing for a fine of \$50 for each separate violation of carrying passengers twelve years and under; and
- (3) Amending the definition of "pickup truck" to include the maximum gross vehicle weight rating (GVWR) of 11,000 pounds or less, instead of 10,000 pounds.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 870, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 870, SD 2, HD 2, CD 1.

Representatives Hiraki, Tom, Jones, Takumi and Marumoto,
Managers on the part of the House.

Senators Kawamoto, Matsunaga, Kanno, Sakamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 89 on S.B. No. 1683

The purpose of this bill is to establish a Hawaiian language college (HLC) at the University of Hawaii at Hilo.

Your Committee on Conference amended this bill by:

- (1) Deleting reference to President Bush in the paragraph acknowledging federal funding support for the HLC;
- (2) Establishing a revolving fund to support the HLC;
- (3) Decodifying the paragraphs which transfer the masters program to the HLC when the HLC is established, and clarifying that the masters program as part of the Hawaiian studies department will be transferred;
- (4) Transferring all officers and employees in the Hawaiian studies department to the HLC when the HLC is established;
- (5) Authorizing the HLC to establish five new positions; and
- (6) Restricting general fund appropriations for support of the HLC.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1683, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1683, SD 1, HD 2, CD 1.

Representatives Morihara, Chang, Ahu Isa, Takai and Meyer,
Managers on the part of the House.

Senators Aki, Tam, Fernandes Salling Fukunaga, D. Ige, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 90 on S.B. No. 252

The purpose of this bill is to: (1) delete the twenty-four month limit to receiving general assistance for disabled persons; (2) create a general assistance advisory council; (3) reduce the required number of hours per week for purposes of the definition of "gainful employment"; and (4) increase the number of days of disability for purposes of the definition of "with a disability."

Your Committee finds that a two-year limitation on general assistance for disabled persons is too harsh and that the length of time should be within the budget as determined from year-to-year. Your Committee further finds that reducing the number of required hours for gainful employment from thirty to twenty is consistent with the current economic condition of the State, where twenty hours per week of part-time work is the norm. Your Committee further finds that increasing the number of days from thirty to sixty to qualify for a determination of disability is reasonable, given the State's budget constraints.

Your Committee believes that the general assistance advisory council within the Department of Human Services will provide needed input on general assistance issues from a broad representative spectrum of the community. Your Committee believes that this measure should not mandate the Governor to select members to the advisory council from a predetermined list of organizations. Your Committee, however, recommends that the following groups be strongly considered by the Governor when determining membership:

- (1) The Legal Aid Society of Hawaii;
- (2) The Protection and Advocacy Agency in Hawaii;
- (3) The Mental Health Association;
- (4) United Self Help;
- (5) The Affordable Housing and Homeless Alliance;
- (6) The Welfare Concerns Committee;
- (7) The Substance Abuse Coalition;
- (8) The Sandwich Group Consumer Organization;
- (9) The Oahu Alliance for the Mentally Ill;
- (10) Health Care for the Homeless;
- (11) The Center for Independent Living;
- (12) The National Association of Social Workers; and
- (13) Recipients of general assistance.

Your Committee has amended S.B. No. 252, SD 1, HD 2, as follows:

- (1) Changing the term "general assistance" to "general assistance to households without minor dependents";
- (2) Providing that a determination of physical disability or mental disability shall be made by a board rather than by an individual physician, psychologist, or psychiatrist, as applicable; and
- (3) Making technical, nonsubstantive amendments for clarity, style, and conformity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 252, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 252, SD 1, HD 2, CD 1.

Representatives Arakaki, Say, Kahikina, Kawakami and Pendleton,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Fernandes Salling, Fukunaga, Levin, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 91 on S.B. No. 1266

The purpose of this bill is to amend Hawaii's child support enforcement laws to conform to federal requirements.

Your Committee finds that, while ordering child support is a routine matter, collection of child support can be time-consuming and difficult. Recalcitrant non-custodial parents who fail to pay court-ordered support penalize their children, and also the State, to the extent that children may be forced into the welfare system if support payments are not made. One of the most compelling methods of implementing child support is to penalize those who are delinquent by depriving them of governmental licenses, such as professional and drivers' licenses, as provided in this bill. This method will help ensure that child support obligors remain current, to the best of their ability.

Your Committee has amended the bill by:

- (1) Specifying that the language added in section 501-102, Hawaii Revised Statutes, that refers to liens, refers to child support, and not, tax liens;
- (2) Clarifying when a custodial parent may apply for a re-hearing on support and under what conditions;
- (3) Making technical conforming amendments; and
- (4) Making a number of technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1266, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1266, SD 2, HD 2, CD 1.

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

Senators Chumbley, Matsunaga, Fernandes Salling, Fukunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 92 on S.B. No. 1268

The purpose of this bill is to enact the Uniform Interstate Family Support Act (UIFSA) to replace the Uniform Reciprocal Enforcement of Support Act, chapter 576, Hawaii Revised Statutes.

Your Committee finds that the recently enacted federal "Welfare Reform Act" mandates that each state adopt the UIFSA. The UIFSA was drafted by the National Conference of Commissioners on Uniform State Laws to eliminate the inadequacies of the Uniform Reciprocal Enforcement of Support Act (URESA) which had been adopted nationwide and is enacted as chapter 576, Hawaii Revised Statutes. Your Committee further finds that if Hawaii does not adopt the UIFSA, the State will be subject to financial penalties, including the potential loss of its block grant for Temporary Assistance to Needy Families constituting approximately \$98,000,000 in federal funds for this fiscal year.

Your Committee has reviewed and amended this bill to resolve the differences in the House and Senate versions of this bill, all of which are of a technical nature, and almost entirely nonsubstantive. In so doing, your Committee has accepted the guidance provided by the Child Support Enforcement Agency and Family Support Division of the offices of the several county corporations counsel.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1268, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1268, SD 2, HD 2, CD 1.

Representatives Tom, Say, White, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Fernandes Salling, Fukunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 93 on S.B. No. 1794

The purpose of this bill is to improve sanitation procedures of the Department of Health (DOH) by:

- (1) Statutorily allowing sanitation permits to be transferred upon the sale of a food establishment; provided that the transfer is approved by the DOH;
- (2) Authorizing persons qualified in the area of sanitation and food protection practices, in addition to registered sanitarians, to perform inspections of food establishments; and
- (3) Establishing an advisory council on food protection practices, whose members are appointed by the Director of Health.

Your Committee has amended the measure by:

- (1) Specifying that, with respect to the transfer of food establishments, the transfer of the sanitation permits shall be subject to the new owner agreeing to abide by the compliance schedule of the DOH;
- (2) Replacing "persons qualified in the area of sanitation and food protection practices" with "food and drug inspectors", as the persons authorized to perform inspections of food establishments;
- (3) Requiring the DOH to conduct annual audits of the Sanitation Branch;
- (4) Specifying the:
 - (A) Terms of the members of the advisory council;
 - (B) Manner in which the Director of Health is to initially appoint the members of the advisory council;
 - (C) Manner in which vacancies on the advisory council are to be filled; and
 - (D) Basic structure of the advisory council; and
- (5) Requiring, rather than merely authorizing, the advisory council to advise the DOH on:
 - (A) Sanitation issues and food protection practices;
 - (B) Rules relating to sanitation and food protection practices; and
 - (C) The incorporation of salient provisions of the most recent version of the United States Food and Drug Administration's Model Food Code into the DOH's food sanitation rules.

Your Committee believes that this bill strikes the right balance between creating a positive environment for businesses, and ensuring the continued protection of public health.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1794, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1794, SD 1, HD 2, CD 1.

Representatives Santiago, Kawakami, Kahikina, Saiki and Pendleton,
Managers on the part of the House.

Senators Metcalf, Levin and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 94 on S.B. No. 1032

The purpose of this bill as received is to set standards of basic competency for marriage and family therapists by establishing a marriage and family therapist licensing program within the department of commerce and consumer affairs.

Your Committee has amended this bill to appropriate \$43,000 for fiscal year 1997-1998 to implement the licensing program created by this Act.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1032, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1032, SD 2, HD 2, CD 1.

Representatives Arakaki, Santiago, Menor, Tom, Kawakami, Yamane, Fox and Pendleton,
Managers on the part of the House.

Senators Baker, Fernandes Salling and Chun Oakland,
Managers on the part of the Senate.

Conf. Com. Rep. 95 on S.B. No. 1535

The purpose of this bill as received is to:

- (1) Increase the legal process fee to cover the costs;
- (2) Clarify filing deadlines for NAIC reports and establish a penalty for late or nonfiling;
- (3) Require compliance with NAIC standards in preparing audit and financial statements;
- (4) Delete the unearned premium reserve table;
- (5) Require an annual payment of a drivers education fund underwriters fee;
- (6) Require association captive and risk retention captive insurers to file a statement of financial condition according to statutory accepted principles; and
- (7) Amend the definition of personal risk liability.

Your Committee has returned the filing deadlines for NAIC and the annual audits to their original statutory date and made technical amendments for the purpose of clarity, and corrected one drafting error.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1535, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1535, SD 1, HD 2, CD 1.

Representatives Menor, Tom, Kanoho, Yamane and Ward,
Managers on the part of the House.

Senators D. Ige, Fukunaga, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 96 on S.B. No. 375

The purpose of this bill is to:

- (1) Raise the solid waste disposal surcharge from 25 cents to 35 cents per ton for solid waste disposed at solid waste disposal facilities;
- (2) Delete volumetric assumptions of the Department of Health as a basis for determining the surcharge;
- (3) Delete the two-year evaluation of the solid waste management efforts and the initial surcharge by the Department of Health and the counties;
- (4) Amend the definition of "inert fill material" to permit the inclusion of only incidental amounts of construction and demolition waste, vegetative waste, or other commercial, industrial, or residential solid wastes, and limiting the length of steel reinforcing rods protruding from concrete and other materials to less than two inches;
- (5) Amend the definition of "solid waste" to exclude inert fill material; and
- (6) Include a \$25,000 per violation penalty section that makes a knowing violation or allowing a violation to occur, a criminal offense.

Your Committee believes that the definition of "inert fill material" would more appropriately be defined by the size of the objects in the material rather than the size of protruding steel reinforcing rods and by excluding all vegetation or organic material and other solid waste. Additionally, your Committee is concerned that unsuspecting landowners who are

victims of "midnight dumping" of waste materials on their property by unscrupulous persons could be subject to the proposed penalties for their failure to take extraordinary measures against those misdeeds. To address those issues, your Committee amended this bill by:

- (1) Amending the definition of "inert fill material" to exclude vegetation or organic material, or other solid waste and limiting the size of included materials to less than eight inches except as specified by a licensed soils engineer; and
- (2) Imposing the new penalty only for knowing violations or knowingly consenting to violations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 375, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 375, HD 2, CD 1.

Representatives Yoshinaga, Say, Goodenow, Hamakawa and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf, Fukunaga and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 97 on S.B. No. 257

The purpose of this bill is to:

- (1) Reduce volatility of employer contributions to the Pension Accumulation Fund (Fund) of the ERS through the use of a five-year moving average based on the total earnings of the ERS; and
- (2) Provide a corresponding setoff of ten percent a year, cumulatively up to one hundred percent, for employer contribution to the Fund to make up for actual investment earning shortfalls.

Your Committee finds that the current funding method used by the ERS has a major weakness in that the total unfunded liability is understated. Under the current frozen initial liability funding method, the ERS' unfunded liability was "frozen" at \$470 million in 1987 when the post retirement fund was merged into the pension accumulation fund. Through the annual payments of \$39 million for interest and principal, this amount has been reduced to \$413 million as of June 30, 1996. These figures, however, are misleading as they are not "actual" figures. Using the "entry age normal cost funding" method which is used by thirty-nine state retirement systems, the ERS has estimated that the "actual" unfunded liability as of June 30, 1996, is \$1.6 billion.

Your Committee believes that it is incumbent upon the State to protect the financial integrity of the state retirement program by reducing its \$1.6 billion unfunded liability. However, understanding the current fiscal crisis the State faces, your Committee feels it is prudent to eliminate the requirement that the state and county governments make up the \$99.4 million shortfall from FY 1995. Your Committee also believes that the ERS must retain all of its investment earnings from FY 1997 in order to begin the systematic liquidation of its unfunded liability.

Your Committee believes that the use of the "entry age normal cost funding" method and the repeal of the excess earnings credit to public employers would be financially advantageous to the State and will:

- (1) Result in \$126.5 million being saved in public employer contributions over the next two years, including \$72.8 million for the state general fund;
- (2) Reduce the public employers' concern over the financial volatility of fluctuating employer contributions from year to year;
- (3) Produce lower employer contributions in the long term;
- (4) Decrease the risk of a large employer appropriation requirement whenever the ERS has a poor investment return in future years; and
- (5) Allow the ERS to reduce its large unfunded liability to the point where it becomes fully funded by the year 2016.

Accordingly, your Committee has amended the bill by replacing its provisions with provisions to:

- (1) Extend the pensioners' bonus authorized under Act 339, Session Laws of Hawaii 1990, for two years, thereby providing longtime retirants of the ERS with a supplement to their income;
- (2) Change, effective July 1, 1994, the existing method of calculating the employer normal cost and accrued liability calculations to the "entry age normal cost funding" method and by separating out police officers, firefighters, and corrections officers, from all other employees; and
- (3) Provide for the liquidation of the unfunded accrued liability in twenty-one years beginning from July 1, 1995.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 257, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 257, SD 2, HD 2, CD 1.

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

Senators Fernandes Salling, Fukunaga, Chun Oakland, Kanno and Kawamoto,

Managers on the part of the Senate.

Conf. Com. Rep. 98 on S.B. No. 717

The purpose of this bill is to establish a \$35 surcharge for persons who are divorcing or separating to fund a parent education program for separating parents and their children.

Your Committee finds that the Judiciary has established a volunteer program, "Kids First", to provide education about the impacts of divorce for separating parents and their children. The "Kids First" program advocates parents focussing on their children during the extremely stressful time surrounding the parents' separation, resulting in a more successful adjustment for the children. Your Committee further finds that the program serves approximately 6,000 parents and their children, and the increased demand for the program has expanded to the extent that additional resources are necessary to provide appropriate services.

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

- (1) Increasing the amount that a respondent with a minor child may be requested to donate from \$10 to \$15; and
- (2) Providing an appropriation of \$154,075 in each fiscal year from the parent education special fund to support the program.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 717, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 717, SD 2, HD 2, CD 1.

Representatives Tom, Say, Jones, White and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Fernandes Salling, Fukunaga, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 99 on S.B. No. 208

The purpose of this bill is to encourage the development of computer software companies in Hawaii by:

- (1) Providing a tax credit for the monetary reinvestment by a computer service company that provides technical services that are necessary for the production, sale, and licensing of computer software; and
- (2) Broadening the general excise tax exemption for certain computer services.

Your Committee has deleted the substance of this bill and replaced it with the creation of a tax credit for the remodeling of hotel facilities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 208, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 208, SD 1, HD 2, CD 1.

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

Senators Fernandes Salling, Fukunaga, Taniguchi, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 100 on S.B. No. 927

The purpose of this bill is to:

- (1) Require tax-exempt cigarettes to be identified and prohibit their sale unless authorized by license or law;
- (2) Increase the cigarette excise tax from 3.00 cents to 3.50 cents for each cigarette;
- (3) Broaden the definition of "cigarette"; and
- (4) Provide that the tobacco tax will automatically increase following enactment of federal legislation requiring military installations to purchase cigarettes in Hawaii in a manner similar to that required of alcoholic beverages.

Your Committee has amended this bill by:

- (1) Deleting the provisions that establish a method to identify tax-exempt cigarettes to control their sales;
- (2) Deleting the amendment to broaden the definition of "cigarette";
- (3) Changing the increase in the excise tax for each cigarette from 3.50 cents to:
 - (a) 4.00 cents after August 31, 1997; and
 - (b) 5.00 cents after June 30, 1998;

- (4) Changing the effective date of the increase in the tobacco tax from December 30, 1997, to August 31, 1997;
- (5) Deleting the provision that automatically increases the tobacco tax following the enactment of certain federal legislation;
- (6) Changing the effective date of the bill from January 1, 1998, to September 1, 1997;
- (7) Deleting the purpose section; and
- (8) Making technical, nonsubstantive amendments to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 927, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 927, SD 1, HD 2, CD 1.

Representatives Santiago, Say, Kahikina, Suzuki and Marumoto,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga and Levin,
Managers on the part of the Senate.

Conf. Com. Rep. 101 on H.B. No. 1370

The purpose of this bill is to ensure that sound management practices are used in caring for the State's public forest reserves.

Specifically, this bill:

- (1) Requires that the harvesting of trees on public lands follows prudent management practices by mandating that:
 - (A) The harvesting be done in accordance with an approved harvesting plan and consistent with provisions regarding the conservation of natural resources and environmental impact statements; and
 - (B) The harvesting of native trees use existing fire prevention and management programs and ensure the use of silvicultural practices that encourage native biodiversity and ecosystem processes;
- (2) Requires that proceeds from the sale of tree seedlings from state nurseries be deposited into the General Fund; and
- (3) Clarifies that it is not the Legislature's intent that the Department of Land and Natural Resources (DLNR) compete with private tree seedling nurseries by selling tree seedlings.

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

- (1) Prohibiting native forests situated on public lands from being converted to introduced forest plantations;
- (2) Removing the legislative intent provision relating to the sale of tree seedlings from the bill; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

Your Committee on Conference finds that legislative intent is not a matter for statutory provisions. However, notwithstanding this deletion, your Committee on Conference expressly intends that:

- (1) State tree nurseries, to the extent possible, shall focus on filling needs not otherwise met by privately operated tree nurseries; and
- (2) The sale of tree seedlings by the State shall not be construed as encouraging DLNR to compete with private nurseries for the production of tree seedlings.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1370, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1370, HD 2, SD 1, CD 1.

Representatives Takamine, Yoshinaga, Kanoho, Hamakawa and Meyer,
Managers on the part of the House.

Senators Iwase, Solomon, Fernandes Salling, Fukunaga, Tanaka and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 102 on H.B. No. 1796

The purpose of this bill is to allow the Housing Finance and Development Corporation (HFDC) to:

- (1) Remove the restriction that infrastructure bonds issued by HFDC be payable only from the revenues derived from the sale of the lands serviced by the infrastructure bonds; and
- (2) Allow HFDC to issue infrastructure bonds whose discounted value exceeds ten percent of the issue to finance the infrastructure for the 500-acre former West Oahu Campus site and 800-acre East Kapolei site.

Your Committee has amended this measure by offering more flexibility by removing the term "exclusively" when referring to the types of bonds on which the principal and interest are payable.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1796, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1796, HD 1, SD 1, CD 1.

Representatives Arakaki, Kawakami, Kahikina and Fox,
Managers on the part of the House.

Senators M. Ige, Bunda, Fernandes Salling, Fukunaga, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 103 on H.B. No. 1657

The purpose of this bill is to:

- (1) Broaden the mission of the University of Hawaii (UH) College of Education beyond the training of teachers to meet the requirements of the State's public schools;
- (2) Authorize UH to employ or retain its own attorney, not required to be a deputy attorney general; and
- (3) Exempt all special funds of UH and community colleges, except the Research Corporation Special Fund, from assessments for central service and departmental administrative expenses.

With regard to the portion of the bill related to the mission of the College of Education at the University of Hawaii (College), your Committee finds that the initial mission of the College was limited to teacher training. This mission continues to be the primary function of the College because its primary role is to train the many new teachers needed each year for Hawaii's public and private schools. However, in the decades that have elapsed since its inception, the College has become more comprehensive in its approach, so that it now engages in research and community service as well as teacher training. This expansion of the overall mission is consistent with what has occurred in similar colleges of education throughout the nation. It should be noted that the additional activities are related to teacher training, and support this primary function.

This bill is intended to recognize and endorse the change in philosophy that has occurred at the College over the years and to describe more accurately its current mission. The bill is not intended to shift the emphasis of the College toward a particular function or away from another in any way. In acknowledging the College's current activities, the bill also acknowledges its many outstanding accomplishments.

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

- (1) Authorizing UH to employ or retain its own attorney, not required to be a deputy attorney general; and
- (2) Exempting all special funds of the UH and community colleges, except the Research Corporation Special Fund, from assessment for central service and departmental administrative expenses.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1657, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1657, HD 1, SD 1, CD 1.

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

Senators Aki, Tam, D. Ige, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 104 on H.B. No. 2234

Your Committee has amended this measure by changing the implementation date for the legislature to formulate general fund budget appropriations for the University of Hawaii from fiscal year 1997-1998 to fiscal year 1999-2000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2234, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2234, HD 1, SD 1, CD 1.

Representatives Morihara, Say, Suzuki, Takai and Halford,
Managers on the part of the House.

Senators Aki, Tam, D. Ige, M. Ige, Taniguchi and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 105 on H.B. No. 1775

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 6 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 6 for the fiscal biennium 1997-1999.

Your Committee has amended this measure by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 6;
- (2) Changing the effective date of this measure to July 1, 1997; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1775, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1775, SD 1, CD 1.

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

Senators Fernandes Salling, fukunaga, Kanno, Chun Oakland, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 106 on H.B. No. 1732

The purpose of this bill is to enable the Bureau of Conveyances (Bureau) to serve the public more efficiently by providing the resources to assist the Bureau to modernize its computerized recording system through the:

- (1) Establishment of the Bureau of Conveyance Equipment Modernization Special Fund (Fund); and
- (2) Requirement of depositing \$2 of the collected modernization fee for each document recorded for Land Court registration and bureau recordation in the Fund.

Upon careful consideration, your Committee has amended this measure by inserting an appropriation amount of \$600,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1732, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1732, HD 2, SD 1, CD 1.

Representatives Menor, Kawakami, Garcia, Goodenow and Aiona,
Managers on the part of the House.

Senators Iwase, Solomon, Fernandes Salling, Fukunaga, Tanaka and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 107 on H.B. No. 1547

The purpose of this bill, as received by your Committee on Conference, is to provide additional incentives for operating interisland ferry service between Molokai and Maui, including the issuance of a commercial operating license and the waiver of applicable fees at Lahaina small boat harbor.

Your Committee on Conference notes that H.B. No. 1547, HD 2, as it passed the House, establishes a 5-year pilot program for community-based management of one or more state small boat harbors. The Senate passed S.B. No. 1889, SD 1, which is substantially the same, but identifies Ala Wai Marina as the pilot program site.

Your Committee on Conference recognizes the importance of the State small boat harbors for recreational boating activities, landing of fish, commercial vessel activities, interisland commerce, and interisland ferry transportation. Your Committee on Conference also recognizes the need to fully evaluate the feasibility of establishing community-based management of State small boat harbors, before making such a commitment. To help achieve this goal, H.C.R. No. 153, HD 1, has been passed by both houses of this legislature which calls on the auditor to do an audit of all State small boat harbors.

After careful consideration, your Committee on Conference has amended this measure so that there are now two parts. Part one creates a task force in the Department of Land and Natural Resources to evaluate the feasibility and make recommendations about establishing a community-based management pilot program for one or more state small boat harbors. Part two provides additional incentives for operating interisland ferry service between Molokai and Maui, including the issuance of a commercial operating license and the waiver of applicable fees at Lahaina small boat harbor.

Your Committee on Conference emphasizes that the Department of Land and Natural Resources should take whatever actions necessary to facilitate the early completion of the audit of all of the State small boat harbors as per H.C.R. No. 153, HD 1, so that the information contained in the audit may be evaluated by the task force in a timely manner as directed in this measure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1547, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1547, HD 2, SD 1, CD 1.

Representatives Tarnas, White, Goodenow, Morihara and Marumoto,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Fernandes Salling, Fukunaga, Chumbley, Ihara and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 108 on H.B. No. 1023

The purpose of this bill is to broaden the scope of the annual conference of secondary school students by:

- (1) Extending participation to students in grades seven and eight;
- (2) Allowing different formats for the conference; and
- (3) Increasing membership on the student conference committee.

Your Committee has amended the bill by deleting the increase in membership on the student conference committee.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1023, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1023, SD 1, CD 1.

Representatives Stegmaier, Kawakami, Goodenow, Takai and Halford,
Managers on the part of the House.

Senators Tam, Aki, Fernandes Salling, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 109 on H.B. No. 1731

The purpose of this bill is to require head librarians at each library to be responsible for the selection of materials for their respective library, subject to policies set by the Board of Education and the state Librarian.

The bill has been amended by deleting its substance and replacing it with provisions authorizing the Board of Education to establish a library advisory commission for each county instead of the existing mandate for their establishment.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1731, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1731, HD 1, SD 2, CD 1.

Representatives Stegmaier, Kawakami, Goodenow, Morita and Ward,
Managers on the part of the House.

Senators Tam, Aki, Fernandes Salling, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 110 on H.B. No. 120

The purpose of this bill is to address the fragmentation of care for the chronically ill and disabled elderly by:

- (1) Extending the demonstration Program for All-Inclusive Care for the Elderly (PACE) to June 30, 2002; and
- (2) Requiring the PACE demonstration program to submit a program description and financial and management report (report) to the Legislature for each of the fiscal years extending from July 1, 1997, to June 30, 2002.

Your Committee supports the intent of the PACE program at Maluhia and commends Maluhia for its long-term care services. While the federal government acknowledges the merits of the original PACE program, your Committee believes that PACE programs vary in their cost-effectiveness. Therefore, your Committee concurs that a study is needed to determine the cost-effectiveness of the PACE program at Maluhia since its inception. The study should document that the PACE program prevented or delayed nursing home placements or saved the State money without diminishing quality of care.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the PACE program submit a report for each fiscal year from July 1, 1992, to June 30, 2002;
- (2) Specifying that the assessment of the State's exposure to liability include:
 - (A) A financial measurement of the State's obligation to provide care to all participants through the termination of all care contracts;
 - (B) A comparison between the State's exposure to liability and the charge to be approved or estimated to be approved by Health Care Financing Administration; and
 - (C) An explanation of all assumptions used to develop the assessment;
- (3) Clarifying that the assessment is an extension of paragraph (9) for the evaluation of the future viability of this project in consideration of all relevant costs, including overhead, facilities and housing costs, fringe benefits and payroll taxes, financing, and the cost of pass through services from other sectors of government;
- (4) Clarifying the number of full-time employees will also include part-time employees, if any, by the use of the term full-time "equivalent" employees; and

- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 120, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 120, HD 1, SD 1, CD 1.

Representatives Arakaki, Santiago, Suzuki and Fox,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Fernandes Salling, Fukunaga, Levin, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 111 on H.B. No. 147

The purpose of this bill is to establish a two-year joint legislative committee (Committee) to develop a sound financial plan to address the current and future long-term care needs of the people of Hawaii.

In addition, this bill also:

- (1) Requires the Committee to submit a report of its findings and recommendations to the Legislature by December 1, 1998; and
- (2) Appropriates funds for expenses related to the Committee.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$25,000 to be expended by the House of Representatives and the sum of \$25,000 to be expended by the Senate, for expenses related to the Committee; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 147, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 147, HD 1, SD 1, CD 1.

Representatives Arakaki, Kawakami, Ahu Isa, Kahikina and Fox,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Fernandes Salling, Fukunaga, Baker, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 112 on H.B. No. 1836

The purpose of this bill is to authorize the Department of Health to administer a state revolving fund program for the improvement of public water systems. Specifically, this bill establishes a mechanism to provide loans and other financial assistance to public water systems, including systems that are privately owned, to protect the quality of drinking water throughout the State. The bill amends the state safe drinking water laws to ensure proper coordination of state and federal resources in accordance with the federal Safe Drinking Water Act Amendments of 1996. Additionally, the bill requires the Department of Health to conduct annual testing of water catchment systems and permits the Director of Health to adopt rules for public water systems compliance with primary drinking water regulations.

Your Committee finds that ensuring the quality of Hawaii's drinking water is a fundamental responsibility of the State and that the financing mechanisms established by this measure is critical to the effective performance of that function. Your Committee believes that the quality of the water in water catchment systems has been overlooked in previous efforts to improve the State's water quality and that a testing and technical assistance program is needed at this time.

Your Committee amended this bill by:

- (1) Requiring the Department of Health to permit the use of certified private analytical laboratories to conduct the tests of water in water catchment systems;
- (2) Establishing a co-pay arrangement for those tests with the requesting resident paying twenty-five dollars for the tests and the Department of Health covering the remainder of the costs;
- (3) Limiting requests for those tests by residents to one request a year under the program; and
- (4) Requiring the Department of Health to establish a non-regulatory technical assistance program to assist residents relying on water catchment systems for their water needs in improving the water quality of those systems through practical and affordable methods.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1836, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1836, HD 2, SD 1, CD 1.

Representatives Yoshinaga, Kanoho, Goodenow, Hamakawa and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 113 on H.B. No. 2032

The purpose of this bill, as received by your Committee on Conference, is to establish a school-to-work opportunities system.

Your Committee has amended this bill by:

- (1) Changing the appropriations to \$500,000 for fiscal year 1997-1998 and \$500,000 for fiscal year 1998-1999; and
- (2) Making technical, nonsubstantive amendments to section 1 for the purpose of consistency.

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

Representatives Stegmaier, Kawakami, Ito, Tarnas and McDermott,
Managers on the part of the House.

Senators Tam, Aki, Fernandes Salling, Kanno, Chun Oakland, Kawamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 114 on H.B. No. 1781

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining units 3, 4, and 13 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representatives of bargaining units 3, 4, and 13 for the fiscal biennium 1997-1999.

Your Committee has amended this bill by:

- (1) Inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for units 3, 4, and 13;
- (2) Changing the effective date of this measure to July 1, 1997; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1781, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1781, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 115 on H.B. No. 1857

The purpose of this bill is to provide for the completion of the process undertaken through chapter 674, Hawaii Revised Statutes, and to establish a mechanism to resolve issues which have arisen during that process.

The background of this bill is described in H.S.C.R. 1091 (1997) and S.S.C.R. 1481 (1997) reporting earlier drafts of this measure to the House of Representatives and the Senate. Your Committee adopts and incorporates these reports into this conference committee report.

This bill as amended:

- (1) Extends the deadline for submission of a final report to the Legislature by the Hawaiian Home Lands Trust Individual Claims Review Panel (Panel) by two years prior to the Regular Session of 1999;
- (2) Extends certain other statutory deadlines accordingly;
- (3) Urges the Panel and the chairperson of the Hawaiian Homes Commission to seek throughout the interim the resolution of properly submitted claims, especially those included in the Panel's 1997 report to the Legislature, by nonmonetary remedial action; and
- (4) Establishes a working group to adopt an appropriate formula and guidelines for application by the Panel in addressing properly submitted claims. Your Committee directs this working group to the above referenced legislative history for expression of legislative intent.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1857, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1857, HD 1, SD 1, CD 1.

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

Senators Iwase, Solomon, Chumbley, Matsunaga, Fernandes Salling, Fukunaga, Tanaka and Anderson,

Managers on the part of the Senate.

Conf. Com. Rep. 116 on H.B. No. 2207

The overall purpose of this bill is to continue past executive and legislative efforts, undertaken in conjunction with the people of Hawaii, toward a comprehensive, just, and lasting resolution of outstanding issues relating to Native Hawaiians. This bill focuses on a particularly difficult set of issues which affect some 1.2 million acres of state land currently subject to the public trust established under section 5(f) of the Admission Act.

These lands are commonly referred to, and are referred to in this report, as the "ceded lands". The specific purposes of this bill are to:

- (1) Confirm the doctrine of separation of powers and the reservation to the legislature of matters relating to the ceded land trust;
- (2) Reiterate legislative intent in the enactment of state statutes addressing the ceded land trust including Act 304, Session Laws of Hawaii (1990);
- (3) Establish a process involving the executive and legislative branches and the Office of Hawaiian Affairs (OHA) to address outstanding issues relating to the ceded land trust and make recommendations to the legislature for global resolution;
- (4) Complete the inventory and mapping of the ceded lands as part of that process;
- (5) Assure OHA an adequate and predictable level of funding from ceded land trust revenues pending completion of that process; and
- (6) Take other actions to effectuate those purposes.

The history of the ceded land trust and a full elucidation of the legislature's intent in its statutory enactments governing the trust and related matters is set forth in H.S.C.R. No. 602 (1997), H.S.C.R. No. 1090 (1997), and S.S.C.R. No. 1118 (1997), reporting earlier drafts of this measure to the House of Representatives and the Senate, as well as in the drafts themselves. Your Committee specifically adopts and incorporates the statements in those reports and drafts into this conference committee report.

As more fully elucidated in the above referenced legislative history, it is vital that the judicial branch honor the separation of powers and implement legislative intent. It is vital that the legislature establish a mechanism within the control of the executive and legislative branches to fully address and make recommendations to the legislature, within a time certain, for the complete resolution of issues relating to the ceded land trust. And, it is vital that, during the period in which the evaluative process is underway, OHA be assured an adequate and predictable level of funding in order to continue its mission.

Section 1 of the bill provides specific legislative findings on the various matters addressed in the legislative history. Section 2 makes \$15.1 million available for OHA to expend for bettering the conditions of native Hawaiians for each year of the upcoming fiscal biennium as the pro rata portion of ceded land trust revenues due OHA for the period. This amount exceeds average annual revenues to OHA over recent years and is almost double receipts by OHA over the current fiscal year. More important, this section removes the need to apply the current definition of "revenue" to day-to-day government operations, and eliminates further disputes over this issue while the concurrent broader resolution process is underway.

Section 3 establishes the resolution mechanism: a joint committee consisting of appointees of the executive and legislative branches and OHA operating with a specified mandate. The joint committee is charged with providing a progress report to the 1998 legislative session and a final report to the 1999 session, envisioning legislative deliberation and possible implementation during the 1999 session. Operating funding for the committee is provided under section 5.

Sections 4 through 6 provide for an integral part of the resolution mechanism: a comprehensive inventory and mapping of the ceded lands to be conducted and completed on a parallel track and in close coordination with the joint committee. Your committee notes that base information on the ceded lands already exists with the Department of Land and Natural Resources (DLNR) and, separately, with OHA, and expects all of this information to be utilized in completing the inventory and mapping so as to avoid duplication. One million dollars is also appropriated to DLNR to complete this assignment, to be matched by OHA, with some pro rata contributions from the Department of Hawaiian Home Lands if and to the extent that department controls any ceded lands.

Section 7 provides appropriation language to effectuate section 2. Section 8 emphasizes that this bill inclusive of its legislative history are to govern any interpretation of Act 304. Section 10 provides for the bill's effective date.

Your Committee firmly believes that this bill is essential to provide interim stabilization and direction with respect to the ceded land trust and to move toward a lasting solution. In this belief, your Committee embraces the historical context of this effort and fully endorses the legislative findings set forth in the first two paragraphs of this bill, in particular the bill's paramount objective of continuing with mutual resolve toward a "comprehensive, just and lasting resolution."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2207, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2207, HD 2, SD 1, CD 1.

Representatives Case, Say, Suzuki, Yamane and Marumoto,
Managers on the part of the House.

Senators Iwase, Solomon, Fernandes Salling, Fukunaga, Ihara, Tanaka and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 117 on H.B. No. 931

The purpose of this bill is to appropriate funds for each year of the 1997-1999 fiscal biennium for agricultural research and development to be performed by the Hawaii Agriculture Research Center (HARC).

Upon consideration, your Committee has amended this bill by:

- (1) Inserting the appropriation sum of \$1,000,000 for fiscal year 1997-1998 for agricultural research and development by HARC;
- (2) Deleting reference to the fiscal year 1998-1999 appropriation;
- (3) Providing in the appropriation section of the bill that \$250,000 per year may be released unmatched for exploratory agricultural research and development; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 931, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 931, HD 2, SD 1, CD 1.

Representatives Jones, Abinsay, Chang, White and Fox,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Fernandes Salling, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 118 on H.B. No. 1690

The purpose of this bill is to:

- (1) Exempt the Hawaii Health Systems Corporation from the requirement that mandates the transfer of their maximized revenues into the Interagency Federal Revenue Maximization Revolving Fund; and
- (2) Appropriating funds to the Departments of Education, Health, and Human Services to pay for expenses associated with the Revenue Maximization Project.

Your Committee has amended this bill by inserting the following amounts for expenses related to the recovery of federal fund reimbursements under section 29-24, Hawaii Revised Statutes:

- (1) \$425,000 for each year of the fiscal biennium for the Department of Human Services;
- (2) \$200,000 for each year of the fiscal biennium for the Department of Education; and
- (3) \$425,000 for each year of the fiscal biennium for the Department of Health.

It is the intent of the Legislature to support the departments' efforts to maximize federal funds. Therefore, your Committee requests the Departments of Human Services, Education, and Health to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 1998 describing:

- (1) The type and amount of federal funds that were brought into the state; and
- (2) The manner in which each department would spend these funds if the funds were made available to the department.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1690, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1690, HD 1, SD 1, CD 1.

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

Senators Levin, Metcalf, Fernandes Salling, Fukunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 119 on H.B. No. 1656

The purpose of this bill is to recognize that the Board of Regents should have full authority to manage tuition revenues generated by the University of Hawaii by:

- (1) Terminating the diversion of tuition revenues to the Hawaii opportunity program in education (HOPE) special fund;
- (2) Transferring the balance of the HOPE special fund to the tuition and fees special fund; and

- (3) Eliminating the HOPE special fund.

The bill has been amended by:

- (1) Changing the name of the HOPE special fund to the HOPE endowment special fund and retaining it rather than eliminating it;
- (2) Funding HOPE activities through revenues generated by investment of principal rather than revenues from an outside source (tuition); and
- (3) Retaining the moneys in the new HOPE endowment special fund rather than transferring it to another fund.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1656, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1656, HD 1, SD 2, CD 1.

Representatives Morihara, Say, Ahu Isa, Takai and Meyer,
Managers on the part of the House.

Senators Aki, Tam, D. Ige, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 120 on H.B. No. 1804

The purpose of this bill is to establish a repair and maintenance special fund into which shall be transferred one percent of all general obligation bond fund appropriations for capital improvements designated as the construction cost element.

The fund is to be used for:

- (1) Planning, design, and construction costs for repair and maintenance projects; and
- (2) Alterations and renovations that will extend the life of existing state facilities.

Upon consideration, your Committee has amended this measure by providing that twenty-five percent of the annual transfer into the fund shall be used for repair and maintenance for the Judiciary Branch.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1804, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1804, HD 1, SD 1, CD 1.

Representatives Say, Takai, White and Meyer,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga, Tam, Ihara, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 121 on S.B. No. 1618

The purpose of this bill is to establish a Transportation Improvement Special Fund, and receive reimbursements from private developers who have been advanced public funds to fulfill the conditions of land use development relating to transportation.

Your Committee upon further consideration has made the following amendment to S.B. No. 1618, HD 2, by adding a section requiring the Department of Transportation to prepare and submit an annual report on the use of the Transportation Improvement Special Fund twenty days prior to each legislative session. The annual report shall include, but not be limited to, the fund balance, expenses made from the fund, and proposed appropriations from the fund for the next fiscal year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1618, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1618, HD 2, CD 1.

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

Senators Sakamoto, Fernandes Salling, Kawamoto, Taniguchi and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 122 on S.B. No. 1943

The purpose of this bill is to authorize the Director of Finance of each county to issue special number plates in lieu of regular plates to organizations meeting the minimum qualifications established in rules.

This bill also requires the word "Hawaii" to appear along the upper portion of the number plate, and the words "Aloha State" to appear on the lower portion of all number plates issued in the State of Hawaii.

Your Committee upon further consideration has amended S.B. No. 1943, SD 1, HD 2, by adding provisions to authorize the issuance of special number plates for certain categories of veterans. Specifically, the special number plates

will include plates that read: "COMBAT WOUNDED", "VETERAN", "PEARL HARBOR SURVIVOR", "FORMER PRISONER OF WAR", "COMBAT VETERAN", "VIETNAM VETERAN", "KOREA VETERAN", or "WORLD WAR II VETERAN".

These special number plates for military service will be limited to only one noncommercial passenger motor vehicle or motorcycle or motor scooter in one category of special number plates; but, if the qualified owner of a motor vehicle also has a motorcycle or a motor scooter, such an owner will be allowed a second number plate for the motorcycle or motor scooter.

Your Committee also made technical, nonsubstantive changes for consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1943, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1943, SD 1, HD 2, CD 1.

Representatives Hiraki, Ito, Nakasone, Takumi and Marumoto,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Aki, Kanno and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 123 on S.B. No. 1919

The purpose of this bill is to increase public access to the legislative process and to enhance the efficiency and effectiveness of the Legislature by:

- (1) Establishing the Legislative Broadcast Program in the State Capitol as a permanent part of the Legislature's Public Access Program and appropriating \$1 in fiscal year 1997-1998 for the program;
- (2) Providing equal access to legislative broadcasts for all citizens in the State and appropriating \$1 each to three neighbor island broadcasting organizations in fiscal year 1997-1998;
- (3) Giving the Legislative Analyst additional duties and responsibilities, including the analysis of bills proposing to establish new special funds or new revolving funds; and
- (4) Appropriating \$1 in fiscal year 1997-1998 to replace the Legislature's existing computer information system.

Your Committee on Conference has amended this bill by:

- (1) Deleting, in section 1 of the bill which expresses the purpose of the bill, paragraph (3) relating to requiring the legislative analyst to analyze bills proposing to establish new special funds or revolving funds;
- (2) Renaming PART I. "LEGISLATIVE BROADCAST PROGRAM" TO "LEGISLATIVE PUBLIC ACCESS";
- (3) Amending the \$1 appropriated in fiscal year 1997-1998 for the legislative broadcast program to \$175,000;
- (4) Deleting the title only "PART II. NEIGHBOR ISLAND PUBLIC ACCESS";
- (5) Amending the \$3 appropriation to three neighbor island broadcasting organizations to \$75,000 as follows:

Ho'ike Kauai	\$22,379
Akaku: Maui Community Television	\$20,323
Na Leo 'O Hawai'i	\$32,298
- (6) Deleting PART III and section 6 of the bill relating to the analysis by the legislative analyst of bills proposing new special funds;
- (7) Deleting section 7 of the bill repealing section 23-11, Hawaii Revised Statutes, relating to the Auditor analyzing bills proposing new special funds;
- (8) Deleting the title only "PART IV. LEGISLATIVE MANAGEMENT", re-numbering section 8 of the bill to section 5, and amending the appropriated amount from \$1 to \$1,500,000 to replace the existing legislative information system; and
- (9) Amending the effective date to July 1, 1997.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1919, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1919, SD 1, HD 2, CD 1.

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

Senators Fukunaga, Fernandes Salling, Ihara and Taniguchi,
Managers on the part of the Senate.

Conf. Com. Rep. 124 on S.B. No. 1571

The purpose of this bill is to allow Department of Health employees to process delayed and late registrations of vital statistics events and to preclude the Department from revealing any index data to the public.

Your Committee believes that restricting total access to index data may be contrary to the State's policy of maximizing access to public information. Your Committee is sensitive to the misuse of certain personal information and amended this bill by limiting the protection of index data from public disclosure only to the date and file number of the vital event and the registrant's age.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1571, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1571, SD 1, HD 2, CD 1.

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

Senators Metcalf, Levin and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 125 on S.B. No. 1421

The purpose of this bill is to implement the state "payroll lag", i.e., the conversion of the predicted state payroll to an after-the-fact payroll.

This bill also specifies that the implementation of the after-the-fact payroll is not subject to negotiation, notwithstanding any provision to the contrary in the collective bargaining law.

Under current law, state payroll checks are prepared prior to the end of the work period so that they can be delivered to employees on the last day of the pay period. Your Committee finds that this system can cause incongruities; for example, an employee could sign out for leave at the end of a pay period, be paid, but actually not have enough leave time to take, in which case the State must then collect the overpayment.

Your Committee finds that this bill will conform the state payroll process to the standard practice used by most private businesses, and is an important component in improving the State's fiscal controls and balancing the budget.

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

- (1) Changing the effective date from upon approval to June 29, 1998; and
- (2) Conforming the after-the-fact payroll schedule to commence on the June 30, 1998, pay day, rather than the June 30, 1997, pay day, through the September 15, 1998, pay day, which will be delayed to September 18, 1998; and
- (3) Making nonsubstantive, technical changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1421, SD 2, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1421, SD 2, HD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kanno, Chun Oakland and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 126 on S.B. No. 1632

The purpose of this bill is to consolidate and streamline the State's diverse housing functions to promote and improve the housing opportunities for all residents. In particular the bill consolidates and streamlines the varied housing programs now under the Hawaii Housing Authority, the Housing Finance and Development Corporation, and the Rental Housing Trust Fund.

Your Committee on Conference decided to use H.B. No. 143, HD 2, SD 1, as the vehicle for housing consolidation, and therefore placed the provisions of S.B. No. 1632, SD 2, HD 2, together with amendments agreed to by your Committee on Conference into H.B. No. 143, HD 2, SD 1, CD 1.

Your Committee on Conference has amended this bill in turn by replacing its provisions with those of H.B. No. 143, HD2, SD 1, which amends section 515-3, Hawaii Revised Statutes, to conform with the Federal Fair Housing Amendments Act of 1988 and satisfy the requirements necessary for Hawaii to continue to receive federal funds. In general the provisions from H.B. No. 143, HD 2, SD 1, delete the requirement that a disabled person use a "certified" guide or signal dog; and defines "service animal" to include all animals trained to provide those life activities limited by a person's disability.

By contract between Hawaii Civil Rights Commission (HCRC) and the federal Department of Housing and Urban Development (HUD), HCRC receives \$1200 per investigation of discriminatory practices from HUD. It was estimated that HCRC received approximately \$70,000 a year, and that this money was important to HCRC's operations particularly in these economically stressed times. In order to continue federal funding, the State's laws must be in substantial compliance with federal laws. HUD has required this compliance in the past and is expected to continue its insistence on compliance when the contract is renewed in September of this year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1632, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1632, SD 2, HD 2, CD 1.

Representatives Saiki, Kawakami, Lee and Pendleton,
Managers on the part of the House.

Senators M. Ige, Bunda, Fernandes Salling, Fukunaga, Ihara, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 127 on S.B. No. 37

The purpose of this bill is to:

- (1) Amend the definitions of "education and training services", "medical and health care services", and "telecommunication services" under the State Enterprise Zone Law (Law);
- (2) Specify that only Census Tract #405 on Kauai is eligible for enterprise zone (EZ) designation which will remain in effect until January 1, 1997, rather than January 1, 1996;
- (3) Exempt agricultural producers in Kauai from certain requirements of the Law;
- (4) Repeal the requirement that tangible personal property be delivered to buyers in the EZ in which it is sold;
- (5) Specify that agricultural producers operating as qualified businesses in Kauai prior to June 30, 1998, may complete their seven years of eligibility under the Law;
- (6) Require the Department of Business, Economic Development, and Tourism (DBEDT) to certify annually to the Department of Taxation that qualified businesses are exempt from the use tax for their purchases; and
- (7) Specify that the gross proceeds received by contractors are exempt from the general excise tax for construction within EZs performed for a qualified business within an EZ.

Your Committee finds that this measure contains important housekeeping amendments clarifying the intent of various aspects of the Law.

Your Committee has amended this measure by:

- (1) Making agricultural lands in the Waialua district on Oahu an enterprise zone from July 1, 1997, to June 30, 2002; and
- (2) Making numerous technical drafting changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 37, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 37, SD 1, HD 2, CD 1.

Representatives Herkes, Jones, Say, Abinsay and McDermott,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Bunda and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 128 on S.B. No. 1891

The purpose of this bill is to require the Convention Center Authority (CCA) to study the feasibility of allowing residents and community organizations to use the convention center whenever the facility is not reserved for out-of-state convention group events. The bill also extends the sunset date of the CCA from June 30, 1998, to June 30, 1999.

Your Committee finds that modern new meeting facilities are needed to address the needs of local residents and community organizations. While the focus of the convention center should continue to be on attracting offshore business, enabling local persons and groups to use the convention center whenever out-of-state events are not scheduled will increase the public benefit of building this important facility. It will also help to gain acceptance and cooperation of the private and public sectors in contributing to the overall success of the convention center.

Your Committee has amended this measure by:

- (1) Deleting the feasibility study, and instead requiring the CCA to study the relevant rules of other jurisdictions and, based upon that study, to submit to the Legislature twenty days prior to the Regular Session of 1998 draft rules for the use of the center by residents and community organizations whenever the facility is not reserved for out-of-state convention group events;
- (2) Making the bill effective upon approval; and
- (3) Making several technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1891, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1891, SD 1, HD 2, CD 1.

Representatives Cachola, Say, Chang, White and Meyer,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Chumbley, Fukunaga, Ihara and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 129 on S.B. No. 58

The purpose of this bill is to require the Department of Education (DOE) to establish and maintain kindergartens as part of the public school system without school zone limitations. The bill also clarifies that kindergarten participation is not mandatory and gives the Board of Education (BOE) flexibility to determine the readiness of five year old children to attend kindergarten.

Your Committee on Conference amended this bill by:

- (1) Replacing the clarifying age requirements;
- (2) Deleting the flexibility of the DOE to establish procedures and criteria to determine the psychological and physiological readiness of children for kindergarten attendance and exceptions to the age requirement; and
- (3) Requiring that the BOE develop informational guidance to assist in understanding a child's readiness for kindergarten.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 58, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 58, SD 1, HD 1, CD 1.

Representatives Stegmaier, Kawakami, Morita, Tarnas and Halford,
Managers on the part of the House.

Senators Tam, Aki, Fernandes Salling, D. Ige, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 130 on S.B. No. 1951

The purpose of this bill is to encourage business opportunities in the state by:

- (1) Establishing an income tax credit for costs incurred in the production of motion picture or television films in the State; and
- (2) Exempting from the General Excise Tax (GET) amounts received from the servicing and maintenance of aircraft or from the construction of an aircraft service and maintenance facility in the State.

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

- (1) Repealing the sunset date of the GET exemption for stock and commodities exchanges, which is set to expire on June 30, 2000; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1951, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1951, HD 2, CD 1.

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

Senators Fernandes Salling, Fukunaga, Kawamoto, Tam, Tanaka, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 131 on S.B. No. 1581

The purpose of this bill is to encourage developers and prospective purchasers to clean up contaminated properties and put them into productive use by establishing the Voluntary Response Program. This bill establishes a process whereby a qualified person, upon approval by the Department of Health (Department), may engage in a voluntary clean up program. The Department must then establish a site specific account to fund various specific clean up expenses. Upon satisfactory clean up, the Department must issue a letter of completion and return all remaining fund balances in the site specific account to the requesting party. Prospective purchasers who complete voluntary response actions as provided in this measure receive certain exemptions from future liability.

Your Committee finds that the environmental response programs within the Department are currently understaffed, making investigations and remedial efforts extremely difficult and only marginally effective. Your Committee believes it is critical that financing be available for the voluntary clean up programs. Consequently, your Committee believes that for the purpose of evaluating a lender's qualification as a "prospective purchaser" under section 128D-J of the voluntary response program, the Asset Conservation, Lender Liability and Deposit Insurance Protection Act of 1996 should be used.

Your Committee amended this bill by: amending the definition of "owner" or "operator" under the Hawaii environmental response law to exclude persons who hold indicia of ownership primarily to protect their security interests and making the Asset Conservation, Lender Liability and Deposit Insurance Protection Act of 1996 applicable to lenders until the Department adopts rules regarding lenders; and making a technical, nonsubstantive change.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1581, SD 2, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1581, SD 2, HD 2, CD 1.

Representatives Yoshinaga, Say, Goodenow, Kanoho and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 132 on S.B. No. 1082

The purpose of this bill is to require the revenues generated by the environmental response tax and deposited into the environmental response revolving fund to be used for oil spill planning, prevention, preparedness, education, research, training, removal, and remediation; and for direct support for county used oil recycling programs.

In addition, this bill:

- (1) Requires the Director of Health to review and evaluate the operations and the adequacy of the air pollution control equipment for all major sources in Campbell Industrial Park and Kahe Point by July 1, 2017, and to allow major sources until July 1, 2017, to comply with the new air standards;
- (2) Authorizes the Director of Health to recognize and accommodate emission offsets by private agreements between permit holders to enable one permit holder to use the emission credits of another permit holder; and
- (3) Appropriates an unspecified sum to the Department of Health from the environmental response revolving fund for fiscal year 1997-1998 for the purpose of conducting non-oil response actions consistent with the environmental response law.

Your Committee has amended this bill by deleting its contents and inserting provisions requiring the Department of Health to:

- (1) Evaluate the overall direct and indirect costs required to develop, support, and administer all of its water quality programs;
- (2) Review the current fee structure of these programs;
- (3) Develop a proposal to supplement the revenues required to administer these programs by recommending fees for the issuance of permits and variances and any other revenue-generating strategies relating to these programs; and
- (4) Submit its recommendations to the Legislature no later than twenty days prior to the convening of the regular session of 1998.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1082, SD 1, HD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1082, SD 1, HD 2, CD 1.

Representatives Yoshinaga, Menor, Say, Morihara and Kawananaoka,
Managers on the part of the House.

Senators Levin, Metcalf and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 133 on H.B. No. 1640

The purpose of this bill is to clarify provisions of the general excise tax for certain businesses to foster compliance with the law and deter abuse.

Upon consideration, your Committee has deleted the provisions of this measure and replaced them with provisions that will provide relief to:

- (1) Businesses economically dislocated due to industrial downsizing; and
- (2) Small business taxpayers adversely affected by natural disaster in counties with populations less than one-hundred thousand or counties with an unemployment rate of ten per cent or higher.

Specifically, this bill will allow these businesses to defer payment of their general excise taxes.

Your Committee would like to encourage the Department of Taxation to educate taxpayers, who elect to defer the general excise tax payment, with regard to the penalties involved in late or nonpayments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1640, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1640, HD 1, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Ihara, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 134 on H.B. No. 1646

The purpose of this bill is to make an emergency appropriation in an unspecified amount for an automated tax systems acquisition by the Department of Taxation.

Your Committee has amended this bill by appropriating the sum of \$1,314,739 for fiscal year 1996-1997 to be used for the acquisition.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1646, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1646, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 135 on H.B. No. 1840

The purpose of this bill is to appropriate money to prevent the reduction or discontinuance of services provided by the community hospitals.

Your Committee has amended this bill by appropriating \$12,000,000 for fiscal year 1996-1997.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1840, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1840, HD 1, SD 1, CD 1.

Representatives Santiago, Say, Kahikina, Kawakami and Fox,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 136 on H.B. No. 1721

The purpose of this bill is to enable the State to conform to federal law requirements as specified in the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 (Welfare Reform Act), by establishing separate financial assistance programs for families and certain individuals in the State.

Your Committee on Conference has amended this measure by amending the General Assistance eligibility criteria by:

- (1) Providing that persons with disabilities are eligible if they cannot work for twenty hours per week;
- (2) Changing the disability period from thirty to sixty days;
- (3) Providing that the amendments made to section 346-71, Hawaii Revised Statutes, general assistance to households without minor dependents, not be repealed on June 30, 1998; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1721, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1721, HD 2, SD 2, CD 1.

Representatives Arakaki, Say, Kawakami, Santiago and Pendleton,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Fernandes Salling, Fukunaga, Baker, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 137 on H.B. No. 258

The purpose of this bill is to require the Department of Business, Economic Development, and Tourism, in cooperation with the Department of Budget and Finance and the Convention Center Authority to formulate a convention center privatization plan.

Your Committee finds that the important role of the convention center in the visitor industry requires that the state consider all possible options in maximizing the efficiency of the operation of the center and reducing the debt service costs.

Furthermore, accountability by the convention center authority will be better served by separation of the existing convention center capital and operations special fund into two funds.

Your Committee revised the bill by:

1. Adding provisions to amend the Hawaii Revised Statutes to create a new convention center operations special fund;
2. Adding provisions to amend the Hawaii Revised Statutes to change "capital and operations special fund" to "capital special fund" or "operations special fund" where applicable;
3. Adding a provision to authorize the Director of Finance to make a one-time transfer of funds from the capital special fund to the operations special fund;
4. Adding a provision to authorize the Director of Finance to transfer to the operations special fund any encumbrances or liabilities from the capital special fund;
5. Changing the effective date to July 1, 1997;
6. Making appropriate changes to the purpose section; and
7. Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 258, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 258, SD 2, CD 1.

Representatives Cachola, Say, Ahu Isa, Chang and Aiona,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Fernandes Salling, Fukunaga, Ihara and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 138 on H.B. No. 139

The purpose of this bill, as received by your Committee, is to eliminate the high three multiplier for elected officials by:

- (1) Establishing a split formula to compute the retirement benefits of elective officers;
- (2) Making this change to take effect on July 1, 1997; provided that with respect to current elective officers who are members of the Employees' Retirement System (ERS), the member's benefits accrued up to the expiration of the member's current term of office shall not be diminished or impaired.

BACKGROUND

Enhanced retirement benefits were originally established to attract qualified individuals, who might not have otherwise been able to afford to serve the public as elected officials and judges. Although the ERS was established in 1925 to provide retirement, disability, and survivor benefits for government employees, it was not until 1951 that elected officials actually became eligible for retirement benefits. At that time the legislators only earned \$1,500 for a two-year term. Even for the standard of living in 1951, this was not enough for the average person to live on.

Legislative salaries have increased since 1951. Now, legislators earn \$32,000 per year, which is comparable to what many full-time public employees make.

Your Committee recognizes that these changed circumstances warrant a review of the current law.

"HIGH THREE" STANDARD

Under Hawaii's pension and retirement system law, the highest three years of compensation are used as the basis for computing retirement benefits for all public employees. Over the past few years, concerns have been raised regarding the enhanced retirement benefits received by elective officials and certain other government employees in relation to other public employees who participate in the contributory and noncontributory retirement programs. The concerns about the "high three" formula are misleading because the formula is no different for elected officers than it is for any other public employee.

The calculation of retirement benefits for all members of the ERS is based on a set percentage for each year of service multiplied by the member's average final compensation (AFC). The AFC is the average salary earned during a member's three highest paid years of credited service.

Current law provides that elective officials, legislative officers, and judges base their retirement allowances on 3.5 percent for each year of service multiplied by the member's average final compensation. In comparison, other public employees follow percentage formulas ranging from 1.25 percent to 2.5 percent, depending on the nature of their positions. Because of the current computation method, an elected official's retirement benefits could increase substantially if the official earned a higher salary in another governmental position.

Upon due consideration, your Committee finds that the establishment of a split formula for computing the retirement benefits of elective officers and certain other public employees would provide greater equity and fairness.

As amended, this bill would require that retirement benefits for elected officials, and certain other public employees, be computed separately based on the number of years multiplied by the highest paid three years:

- (a) As an elective officer;
- (b) As a legislative officer;
- (c) As a judge; and
- (d) In other public service.

For example, under current law, if "X" is an elected official, who was in office for 19 years and received a maximum salary of \$32,000 per year, and then is appointed to become a judge with a salary of \$70,000 per year for 3 years, upon retirement at age 55 would receive up to \$54,565 in pension benefits.

In contrast, under the same circumstances and based on the split formula proposed in this measure, "X" would receive up to \$29,295 in benefits.

EXPECTATION OF ACCRUED BENEFITS

Because of the complex nature of the ERS law, changed conditions, and other considerations, your Committee finds that existing law needs to be revised. However, because of the reliance placed by affected employees on retirement benefits that may have already accrued, caution must be taken to ensure that the accrued benefits of these individuals are not adversely affected.

Article XVI, section 2 of the Hawaii State Constitution, prohibits the diminishing or impairing of the accrued benefits of a member of the Employees' Retirement System. Although the term "accrued benefits" is not specifically defined in the State Constitution or statutes, it has been interpreted to mean benefits that have been earned by reason of previous service.

Article XVI, section 2, also prohibits the reduction of benefits attributable to the past service of public employees. However, it does not limit the Legislature in changing the calculation of benefits of:

- (1) New entrants into the ERS; or
- (2) Persons already in the system with regard to their future service.

The legislative history of article XVI, section 2, states:

... the section would not limit the legislature in making general changes in a system, applicable to past members, so long as the changes did not necessarily reduce the benefits attributable to past services. (Committee of the Whole Report No. 18, section 13, Proceedings of the Constitutional Convention of Hawaii, volume I, page 330 (1950))

AMENDMENTS

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

- (1) Defining "legislative officer" as a chief clerk, assistant chief clerk, sergeant at arms, and assistant sergeant at arms;
- (2) Amending the definition of "elective officers, elective officials" to include persons appointed to fill the vacancy of an elective office;
- (3) Using a split formula to compute the retirement benefits of elective officers and legislative officers based on the nature of service provided;
- (4) Amending the bill to take effect on July 1, 1997, provided that with respect to:
 - (A) Current elective officers and legislative officers who are members of the ERS, benefits accrued up to November 3, 1998, shall not be diminished or impaired;
 - (B) Other members of the ERS who have accrued benefits as elective officers or legislative officers before July 1, 1997, benefits accrued up to June 30, 1997, shall not be diminished or impaired;

and

- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee believes that the bill, as amended, adjusts the retirement benefits in a fair and just manner equitable without diminishing or impairing accrued benefits.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 139, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 139, HD 2, SD 1, CD 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Fox,

Managers on the part of the House.

Senators Kanno, Chun Oakland, Fernandes Salling, Fukunaga, Baker, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 139 on H.B. No. 1838

The purpose of this bill is to:

- (1) Develop procedures to facilitate the conduct of voluntary and timely responses to hazardous substance releases and threats of releases by providing relief from liability to eligible persons who conduct adequate voluntary response actions; and
- (2) Authorize the Department of Health (DOH) to:
 - (A) Develop, review, approve, and disapprove an accreditation program for specially trained persons pursuant to the Residential Lead-Based Paint Hazard Reduction Act of 1992, Public Law 102-550; and
 - (B) Regulate lead inspectors, lead risk assessors, lead abatement workers, lead abatement supervisors, and lead abatement project designers.

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

- (1) Deleting the provisions relating to voluntary response actions;
- (2) Changing the effective date to "upon approval"; and
- (3) Making technical, nonsubstantive amendments to correct drafting errors.

As amended, this bill is limited to authorizing DOH to establish rules relating to lead abatement practices and training programs.

It is your Committee's understanding that the lead abatement practices and training programs will be 100 percent funded through a cooperative agreement between the State and the Environmental Protection Agency under the Toxic Substances Control Act, P.L. 94-469. Therefore, your Committee's support of this bill is based on the assumption that no State funds will be needed to run these programs.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1838, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1838, HD 2, SD 1, CD 1.

Representatives Yoshinaga, Say, Goodenow, Kanoho and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 140 on H.B. No. 122

The purpose of this bill is to maximize funding for early intervention services for infants and toddlers with special needs by creating an Early Intervention Special Fund (Special Fund) and an Early Intervention Trust Fund (Trust Fund).

Your Committee on Conference has amended this measure by:

- (1) Providing that no state appropriations will be deposited into the Special Fund;
- (2) Deleting references to maintenance of services and existing funding;
- (3) Appropriating out of the Special Fund \$3,200,000 for FY 1997-1998 and \$4,600,000 for FY 1998-1999;
- (4) Appropriating out of the Trust Fund \$3,000,000 for FY 1997-1998 and \$4,500,000 for FY 1998-1999;
- (5) Repealing this Act on June 30, 1999; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 122, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 122, HD 1, SD 2, CD 1.

Representatives Santiago, Arakaki, Say, Kahikina and Pendleton,
Managers on the part of the House.

Senators Levin, Metcalf, Chun Oakland, Fernandes Salling, Fukunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 141 on H.B. No. 167

The purpose of this bill is to establish a Traumatic Brain Injury Program in the Department of Health (DOH) to assist the Governor and the Legislature in devising and carrying out the policies, principles, and recommendations of a comprehensive plan for the coordination of services provided to persons with traumatic brain injury.

Your Committee on Conference has amended this measure by deleting the provisions establishing a Traumatic Brain Injury Program in DOH and substituting provisions to establish a Traumatic Brain Injury Advisory Board (Board) instead. The Board's functions are to:

- (1) Advise DOH in the development and implementation of a comprehensive plan to address the needs of persons affected by disorders and disabilities that involve the brain; and
- (2) Advise DOH of the feasibility of establishing agreements with private sector agencies to develop services for persons with brain injuries.

Your Committee also included an appropriation of \$50,000 for DOH to be used as matching funds, of which \$15,000 shall be used to hire a consultant to write and edit the comprehensive plan.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 167, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 167, HD 2, SD 1, CD 1.

Representatives Santiago, Say, Lee and Pendleton,
Managers on the part of the House.

Senators Metcalf, Levin, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 142 on H.B. No. 1984

The purpose of this bill is to support adolescent substance abuse treatment efforts by appropriating funds to provide treatment, in a family-like setting, for teens who are dependent on drugs.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$453,750 for the purposes of this Act; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1984, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1984, SD 2, CD 1.

Representatives Santiago, Kawakami, Abinsay, Kahikina and Pendleton,
Managers on the part of the House.

Senators Metcalf, Levin, Fernandes Salling, Fukunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 143 on H.B. No. 1829

The purpose of this bill is to make certain programs in the Department of Health (DOH) financially self-sustaining by:

- (1) Creating the Vital Statistics Improvement Special Fund (Fund) in DOH;
- (2) Raising the fees for obtaining certified copies of birth, marriage, or death certificates issued by DOH;
- (3) Crediting \$1 from the costs of each certified copy of certificates to the Fund;
- (4) Designating the remaining balance of this fee to be divided between the two Spouse and Child Abuse Special Accounts which are currently administered and expended by the Department of Human Services (DHS) and the Judiciary; and
- (5) Requiring DOH, DHS, and the Judiciary to jointly determine the manner in which these funds will be expended.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement for DHS, DOH, and the Judiciary to jointly determine expenditures from the Spouse and Child Abuse Special Account;
- (2) Creating the Domestic Violence Prevention Special Fund for DOH staff programs and grants or purchase of service that support or provide domestic violence intervention or prevention;
- (3) Appropriating \$250,000 to carry out the purposes of each special fund;
- (4) Repealing section 7 of Act 232, Session Laws of Hawaii (SLH) 1994, that enabled the DOH, through rules, to increase fees for the issuance of certified copies of birth, death, or marriage certificates;

- (5) Amending the effective date of Act 232, SLH 1994, to allow this measure to be operative under the conditions set forth in Act 232, SLH 1994;
- (6) Sunsetting the bill on June 30, 2000; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1829, HD 3, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1829, HD 3, SD 2, CD 1.

Representatives Santiago, Arakaki, Tom, Say and Pendleton,
Managers on the part of the House.

Senators Metcalf, Levin, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 144 on H.B. No. 1831

The purpose of this bill is to:

- (1) Allow the extension of the provisional admission to school for children who have not completed the immunization schedule in accordance with Department of Health (DOH) requirements;
- (2) Allow school aides to administer oral and topical medication to students under certain circumstances;
- (3) Require all laboratories performing screening and diagnostic tests for the presence of HIV to use FDA-approved tests only; and
- (4) Eliminate the requirement that a complete roster of all exemptions from vaccination or immunization be kept and maintained in all DOH regional offices.

Your Committee has amended this measure by:

- (1) Specifying that school health aides may administer premeasured medications in emergency situations;
- (2) Retaining in statute the program for chronic renal disease;
- (3) Amending section 457-13, Hawaii Revised Statutes (HRS), to conform with the amendments affecting the ability of school health aides to administer medication; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1831, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1831, HD 1, SD 2, CD 1.

Representatives Santiago, Stegmaier, Kawakami, Kahikina and Ward,
Managers on the part of the House.

Senators Tam, Aki, Levin, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 145 on H.B. No. 1843

The purpose of this bill is to improve water quality by expanding the financing program of the water pollution control revolving fund.

Upon careful consideration, your Committee on Conference has amended this measure to refer to the "county", rather than "county agency".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1843, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1843, HD 2, SD 2, CD 1.

Representatives Yoshinaga, Kanoho, Hamakawa, Morihara and Meyer,
Managers on the part of the House.

Senators Metcalf, Levin, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 146 on H.B. No. 1250

The purpose of this bill is to require the State Emergency Response Commission to monitor pipeline safety activities in the State. This bill also requires the Commission to submit a report of the aforementioned activities to the Legislature on an annual basis.

Your Committee finds that recent hazardous material releases from various pipelines operating in the State demonstrate the need to establish a mechanism to monitor these systems on a more direct and systematic basis. Such an effort will

require the participation of all of the players involved in the operation of pipeline systems in Hawaii. Requesting the assistance of government and private sector representatives in this effort will ensure the systematic monitoring and evaluation of pipelines operating throughout the State.

Your Committee has amended this bill by establishing a Pipeline Safety Committee under the Department of Health. The committee will be made up of government and private sector participants involved in the operation and maintenance of pipelines in Hawaii. The committee will function as a central source of information for pipeline safety and technology for all pipelines operating in the State. The Department of Health will be required to submit a report to the Legislature on the activities of the committee on an annual basis.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1250, HD 3, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1250, HD 3, SD 2, CD 1.

Representatives Yoshinaga, Tom, Say, Yamane and Thielen,
Managers on the part of the House.

Senators Metcalf, Levin, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 147 on H.B. No. 1701

The purpose of this bill is to establish by statute the current Barbers Point Naval Air Station Redevelopment Commission (Commission) to serve as the local redevelopment authority for the redevelopment of surplus real and personal property at the Barbers Point Naval Air Station.

This measure also establishes certain of the surplus property as the "Kalaehoa Community Development District", and empowers the Commission to redevelop this property in accordance with the Barbers Point Naval Air Station Community Reuse Plan and new development policies established in the bill.

This bill also authorizes the Commission to issue revenue bonds and appropriates \$250,000 for FY1997-1998, to be matched in an equal amount by the City and County of Honolulu, for purposes of this measure.

Your Committee finds that this measure will facilitate the efficient and effective implementation of the Barbers Point Naval Air Station Community Reuse Plan.

Your Committee believes that it is essential in ultimately implementing the Community Reuse Plan to involve, to the extent feasible, all of the various community interests. State and city agencies should also be encouraged to cooperate in this process, which promises benefits to all residents of the State.

Your Committee encourages the Governor, the Mayor of Honolulu, and other appointing bodies to utilize members of the previous commission, who, through dedication and hard work over the past three years on this project, have gained valuable experience and expertise.

Your Committee has amended this measure by:

- (1) Deleting the Executive Director of the Housing Finance and Development Corporation as an ex-officio voting member of the Commission, and substituting the State Director of Transportation;
- (2) Adding the County Director of Transportation Services as an ex-officio voting member of the Commission;
- (3) Deleting the seven voting members appointed by the Governor, and substituting six voting members appointed as follows:
 - (A) One member appointed by the Governor from a list of nominees submitted by the Chair of the Makakilo/Kapolei/Honokai Hale neighborhood board;
 - (B) One member appointed by the Governor from a list of nominees submitted by the Chair of the Ewa neighborhood board;
 - (C) Two members appointed by the Governor, subject to the advice and consent of the Senate, from the general public;
 - (D) One member appointed by the Mayor of Honolulu from the general public; and
 - (E) One member appointed by the Honolulu City Council from the general public;
- (4) Providing that the Commission shall select a Chairperson from among its members;
- (5) Clarifying that a concurrence of a majority of all voting members is necessary to change the Community Reuse Plan;
- (6) Clarifying that successors to Commission members shall be selected in the same manner and representing the same community of interest as the members before them;
- (7) Providing that the Commission shall elect an Executive Director;

- (8) Limiting to \$125,000,000, the amount of revenue bonds that can be issued by the Commission;
- (9) Amending section 206E-4, Hawaii Revised Statutes, to authorize the Hawaii Community Development Authority to render assistance to the Commission;
- (10) Deleting the requirement that the City and County of Honolulu provide \$250,000 in additional funding in FY1997-1998;
- (11) Deleting the requirement that the Commission be comprised of the same community members currently serving on the Commission established by Executive Order No. 94-08;
- (12) Requiring the Commission to report to the legislature on an annual basis, including a summary of public hearings and other forms of community involvement and input;
- (13) Changing the effective date to July 1, 1997; and
- (14) Making several technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1701, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1701, HD 2, SD 2, CD 1.

Representatives Takamine, Say, Hamakawa, Ito and Marumoto,
Managers on the part of the House.

Senators Taniguchi, Tanaka, Iwase, Solomon, Fernandes Salling, Fukunaga, Kawamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 148 on H.B. No. 1591

The purpose of this bill is to address the problem of missing and exploited children by appropriating funds for salaries and general operating costs for the Hawaii State Clearinghouse for Missing Children.

Upon further consideration and agreement, this measure was amended by appropriating \$86,000 for fiscal year 1997-1998 and \$86,000 for fiscal year 1998-1999.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1591, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1591, HD 2, SD 1, CD 1.

Representatives Tom, Say, Case, Yamane and Marumoto,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Fernandes Salling, Fukunaga, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 149 on H.B. No. 1688

The purpose of this bill is to:

- (1) Appropriate an unspecified amount of funds for the operations, administration, and activities of the King Kamehameha Celebration Commission (Commission); and
- (2) Require annual appropriations to the Commission to be at least equal to the last fiscal year for which state moneys were appropriated to the Commission, plus additional amounts for new or expanded events or activities mandated by the Legislature.

Your Committee has amended this bill by:

- (1) Providing the Commission administrative and clerical support with funds collected from fees, public contributions, and private donations; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee discussed concerns regarding the composition of the Commission, as currently mandated by section 8-5, Hawaii Revised Statutes, and the resulting impact on the logistics of administering the Commission, due to the specificity of the requirements. Your Committee expresses a willingness to revisit these concerns during the 1998 Regular Session.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1688, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1688, HD 1, SD 2, CD 1.

Representatives Case, Say, Kahikina, Suzuki and Kawananaoka,
Managers on the part of the House.

Senators Aki, Tam, D. Ige, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 150 on H.B. No. 143

The purpose of this bill is to conform with the Federal Fair Housing Amendments Act of 1988, to meet requirements necessary for Hawaii to continue to receive federal funds.

Specifically, this bill:

- (1) Deletes the requirement that a disabled person must use a "certified" guide or signal dog;
- (2) Provides that a "service animal" is not just a dog, but includes all animals trained to provide those life activities limited by a person's disability; and
- (3) Provides that no owner, nor any other person engaged in a real estate transaction, is relieved from making reasonable accommodations.

After careful consideration, your Committee has amended this bill by deleting the substance and inserting new material, the purpose of which is to consolidate the functions of the Hawaii Housing Authority, the Housing Finance and Development Corporation, and the Rental Housing Trust Fund into the new Housing and Community Development Corporation of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 143, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 143, HD 2, SD 1, CD 1.

Representatives Saiki, Kawakami, Lee and Pendleton,
Managers on the part of the House.

Senators M. Ige, Bunda, Fernandes Salling, Fukunaga, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 151 on H.B. No. 108

The purpose of this bill is to protect Hawaii's children and adults from sex offenders by revising requirements for the registration of sex offenders pursuant to the federal Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Program; appropriating funds for additional staffing for the Department of the Attorney General; and permitting the taking of blood and saliva samples from certain committed persons to enable development of DNA profiles for these persons.

Upon further consideration and agreement, this measure was amended as follows:

- (1) The definition of "sexually violent offense" was changed to mean an act defined in sections 707-730(1)(a), 707-730(1)(b), 707-731(1)(a), 707-731(1)(b), 707-732(1)(a), 707-732(1)(e), and 707-733(1)(a), Hawaii Revised Statutes;
- (2) Sex offenders are required to register when they expect to be present at some location for more than thirty days, rather than ten days;
- (3) The future address and telephone number of sex offenders is to be made available to the public if known;
- (4) The penalty for the failure of sex offenders to register has been changed to a misdemeanor for the first offense if the failure to register was reckless. Any subsequent reckless failure to register or any knowing or intentional failure to register is a class C felony;
- (5) An appropriation was made of \$300,000 for fiscal year 1997-1998 and \$300,000 for fiscal year 1998-1999; and
- (6) Certain technical, nonsubstantive changes for the purpose of style and clarity were made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 108, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 108, HD 2, SD 1, CD 1.

Representatives Tom, Say, White, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Fernandes Salling, Fukunaga, McCartney, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 152 on H.B. No. 1613

The purpose of this bill is to appropriate funds to the Department of the Attorney General to complete the development and installation of the automated child support enforcement system known as KEIKI.

Upon further consideration and agreement, this measure was amended by appropriating an amount of \$2,100,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1613, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1613, SD 1, CD 1.

Representatives Tom, Say, White, Yamane and Pendleton,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 153 on H.B. No. 1582

The purpose of this bill is to appropriate funds to satisfy claims against the State, its officers, or its employees for payments of judgments or settlements.

Upon further consideration and agreement, this measure was amended by adding more claims which were submitted by the Department of the Attorney General. The total appropriation requested by the Attorney General was \$6,245,812.76.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1582, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1582, HD 2, SD 1, CD 1.

Representatives Tom, Say, Lee, White and Pendleton,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Fernandes Salling, Fukunaga, Bunda and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 154 on H.B. No. 1188

The purpose of this bill is to appropriate funds for a "Crime Symposium" for government and private organizations involved in crime prevention, crime reduction, or public safety.

Upon further consideration and agreement, this measure has been amended by eliminating the appropriation provision with the understanding that the symposium can go forward provided existing in-state facilities and resources are utilized, and that departmental agencies participating in the symposium bear their own expenses. A volunteer consortium would conduct specific activities while the Department of the Attorney General would host the symposium and report its findings to the Legislature.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1188, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1188, HD 1, SD 1, CD 1.

Representatives Tom, Say, Yamane, Yoshinaga and Pendleton,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Fernandes Salling, Fukunaga, Bunda and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 155 on H.B. No. 140

The purpose of this bill is to clarify campaign spending and contribution laws in areas related to unlimited loans, noncandidate committees, reporting requirements, qualifying contributions and the use of public funds.

Upon further consideration and agreement, this measure was amended by:

- (1) Deleting a loan from the definition of a contribution;
- (2) Including among the duties of the Campaign Spending Commission (Commission), the rendering of advisory opinion rather than the adoption of advisory opinions;
- (3) Providing that if no advisory opinion is rendered within ninety days after all relevant information has been provided to the Commission, it shall be deemed that the facts and circumstances of the particular case do not constitute a violation of the campaign spending laws;
- (4) Providing that unless amended or revoked, any opinion rendered or deemed rendered by the Commission shall be binding upon it;
- (5) Requiring that county council candidates or their committees to file reports with the Commission by electronic means;
- (6) Permitting two fundraisers to be held for a person prior to an election;
- (7) Limiting loans to a candidate or a candidate's committee, other than loans from the candidate, the candidate's immediate family member, or a financial institution, to \$10,000;
- (8) Providing that if the \$10,000 loan limit is reached, the borrowing of any additional funds is prohibited until the \$10,000 is repaid in full;
- (9) Providing that if a loan, except a loan from a candidate, a candidate's immediate family, or a financial institution, is not repaid within one year of the date the loan was made, the acceptance of further loans is prohibited and requiring that all subsequent contributions and any retained surplus be expended toward the repayment of a loan; and

(10) Providing that no loan may be accepted or made by a noncandidate committee.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 140, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 140, HD 2, SD 2, CD 1.

Representatives Tom, Say, Cachola, Yamane and Whalen;
Managers on the part of the House.

Senators Matsunaga, Chumbley, Fernandes Salling, Fukunaga, McCartney, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 156 on H.B. No. 1393

The purpose of this bill is to increase the salaries of the supreme court justices, intermediate appellate court judges, circuit court judges, and district court judges.

Upon further consideration and agreement, this measure was amended by appropriating salary increases of four percent for each of fiscal years 1996-1997, 1997-1998, and 1998-1999 for each salary category.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1393, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1393, HD 1, SD 2, CD 1.

Representatives Tom, Say, White, Yamane and Whalen,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga, Chumbley, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 157 on H.B. No. 1539

The purpose of this bill is to authorize and appropriate funds for a two-year pilot project on Kauai for a secure residential facility for short-term commitments.

Upon further consideration and agreement, this measure was amended to require prior Family Court approval before the furlough, parole, or discharge of a minor who is committed to the Hawaii Youth Correctional Facility, when prior approval is specifically required by the Family Court in the minor's commitment order.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1539, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1539, SD 1, CD 1.

Representatives Tom, Garcia, Say, Kawakami and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Fernandes Salling, Fukunaga, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 158 on H.B. No. 1587

The purpose of this bill is to:

- (1) Require renewal of all state identification cards ten years after the date of issuance;
- (2) Expire all state identification certificates on December 31, 1999, unless they have an expiration date; and
- (3) Appropriate funding to purchase a photo identification system to produce the state identification card.

Upon further consideration and agreement, this measure was amended by:

- (1) Establishing a six year expiration date for state identification cards; and
- (2) Appropriating \$325,000 for fiscal year 1997-1998 and \$75,000 for fiscal year 1998-1999.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1587, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1587, HD 1, SD 2, CD 1.

Representatives Tom, Say, Jones, White and Marumoto,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Fernandes Salling, Fukunaga and Bunda,
Managers on the part of the Senate.

Conf. Com. Rep. 159 on H.B. No. 472

The purpose of this bill is to authorize the issuance of general obligation bonds and to declare findings that the total amount of principal and interest, estimated for such bonds authorized but unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii, requires the legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this bill by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 472, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 472, SD 1, CD 1.

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

Senators Fernandes Salling, Fukunaga, M. Ige, Ihara, Iwase, Kawamoto, Levin, Tam, Tanaka, Taniguchi
and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 160 on H.B. No. 350

The purpose of this bill is to appropriate operating and capital funds to the executive branch for the 1997-1999 biennium.

OVERVIEW

As Hawaii moves ever closer to the 21st Century, it still remains interdependent on outside resources to provide for its people and economy. By the very nature of its geographic location, Hawaii's economy is directly affected by changes in the economies of the U.S. mainland and Asia. Recent fluctuations in Japan's and California's economies have affected Hawaii's tourism industry--the State's primary economic engine. When coupled with a stagnant construction industry and a weak overall job market, Hawaii's overdependence on a sluggish tourism industry has left the state economically vulnerable.

In light of this overall economic picture, the Council on Revenues has significantly lowered its earlier forecast for general fund tax revenues over the past eight months. The Governor's 1997-1999 biennium budget request was based on the Council's optimistic forecast of September, 1996, which called for general fund tax growth rates of 8.5 percent and 4.5 percent for fiscal year (FY) 1997-1998 and FY 1998-1999 respectively. In December, 1996, the Council lowered these estimates to 7.5 percent and 4.3 percent, resulting in a revenue "shortfall" of \$117,000,000 for the biennium when compared to the September forecast. The House relied on these predictions in crafting its 1997-1999 biennium budget. In its most recent forecast of March, 1997, the Council has further reduced its predictions to 3.7 percent and 2.9 percent, resulting in an additional revenue "shortfall" of \$256,000,000 when compared to the December forecast. The biennium budget proposed by the Senate was based on these March figures.

The Department of Business, Economic Development, and Tourism (DBEDT) also analyzed the Council's March projections and concluded that the Council on Revenues underestimated the revenue growth. DBEDT's evaluation added \$78,300,000 more for the biennium. However, upon careful review, your Committee has relied on the Council's March projections in preparing this biennium budget.

Despite the challenge of dealing with erratic revenue projections during the course of this legislative session, your Committee has accepted the challenge of meeting the many needs of the people of this State. This budget has been prepared to provide services to meet the needs of the public, without raising the state income or general excise tax.

In addition, this budget seeks to invigorate the State's stagnant economy, primarily through increased tourism promotion and accelerated expenditures on capital construction and infrastructure projects. Targeting these key sectors will provide immediate stimulus to bolster the tourism industry and strengthen the job market, especially in the construction industry. To ensure that Hawaii's economy moves toward recovery, your Committee has also provided a package of tax incentives to boost new business opportunities and revitalize existing businesses.

In combination with an economic development package and a responsible capital improvements program, your Committee also continued to streamline government. Your Committee has cut the executive budget by an unprecedented \$293,400,000 for the biennium. Your Committee believes that these reductions will enable government to serve the public more efficiently in the long term.

The following narrative highlights some of the major initiatives advocated by your Committee for the 1997-1999 fiscal biennium.

HIGHLIGHTS OF APPROPRIATIONS FOR FISCAL BIENNIUM 1997-1999

The general fund appropriations authorized in the operating budget consist of \$3,107,800,000 for FY 1997-1998 and \$3,092,500,000 for FY 1998-1999. The general fund appropriation for FY 1997-1998 represents a 1 percent increase over the current fiscal year (\$3,075,169,162). Including other means of financing, the total operating budget consists of \$5,782,300,000 for FY 1997-1998 and \$5,802,900,000 for FY 1998-1999.

Capital improvement funds authorized in this bill consist of \$1,320,215,000 for FY 1997-1998 and \$1,141,316,000 for FY 1998-1999. Of these sums, \$567,898,000 in FY 1997-1998 and \$426,958,000 for FY 1998-1999 would be financed through the issuance of general obligation bonds.

Economic Development

One of your Committee's foremost priorities during the 1997 legislative session was to address ways of strengthening the state economy. Throughout the legislative session, your Committee's time and efforts were consumed by leading our State to a more productive and healthy economic future. The real challenge lay in addressing the immediate and compelling needs of the community in spite of scarce available public resources, while devoting some of the resources to assist those industries that are primary to the stability of our state economy.

Recognizing the fundamental importance of tourism to our economic well-being, your Committee appropriated funds to ensure that the State maintains its reputation as a world-class visitor destination, and, moreover, to ensure that this key generator of jobs and businesses continues to provide a steady stream of revenues into the State. Your Committee also recognized the importance of marketing, promotional, and advertising efforts in helping the State to maintain this economic stronghold by appropriating \$10,000,000 in emergency funds for FY 1996-1997 for tourism marketing covering Japan and the United States. These funds will help to ensure that Hawaii maintains its competitive advantage in the lucrative visitor destination market and stem the predicted downward trend of visitor arrivals to our State in a timely and effective manner. This infusion of funds for tourism will also give the Hawaii Visitors and Convention Bureau (HVCB) greater fiscal and direct marketing flexibility to better promote Hawaii in overseas markets, thereby contributing to increased arrival and visitor spending.

In its attempt to support the mainstay of our economy, your Committee appropriated \$26,000,000 in FY 1997-1998 and \$24,000,000 in FY 1998-1999 for HVCB to strengthen the viability of our tourism industry. In anticipation of the completion and opening of the Convention Center, funds were added to cover the debt service and operating costs of the Center, thereby ensuring that the Center is completed on time and providing improvements in the vicinity of the Center.

In addition, your Committee has approved other measures providing tax incentives to improve the economy. For example, S.B. No. 1951 encourages developing and existing state industries by providing:

- (1) An income tax credit for costs incurred in the production of motion picture or television films in the state;
- (2) An exemption from the general excise tax on amounts received from the servicing and maintenance of aircraft or from the construction of an aircraft service and maintenance facility in the state; and
- (3) A continuation of the general excise tax exemption for stock and commodities exchanges.

Your Committee provided relief to small businesses adversely affected by natural disasters and economic downturns in counties with small populations by allowing them to defer the payment of general excise taxes. H.B. No. 1640 should give them the chance they need to recover from their economic setbacks.

S.B. No. 208 establishes a tax credit for the remodeling of visitor accommodations. Not only would this measure provide jobs in the construction industry, but it seeks to boost the tourism industry by encouraging visitors to stay at more comfortable accommodations.

Another measure mitigates the pyramiding aspect of the current real property leasing situation in Hawaii by reducing the tax burden from 4 percent to 1/2 percent phased over seven years. This reduction will encourage economic activity by making lease arrangements more affordable and puts more resources in taxpayers' pockets who will use those resources to provide economic growth in other areas of the economy.

Your Committee also appropriated funds to support Hawaii's agricultural industry by enabling agricultural research to continue. Your Committee appropriated \$1,000,000 for FY 1997-1998 for agricultural research and development to be performed by the Hawaii Agriculture Research Center. This appropriation will help boost commercial production of various diversified agricultural products, such as coffee, papaya, sugarcane, and tree crops for forestry.

Funds were also appropriated for the Agribusiness Development Corporation, which plays a fundamental role in diversifying the State's agriculture sector and providing a stable source of income and jobs in the community. Agriculture was also supported through other legislative actions, such as through the creation of a program to help individuals make the transition from unemployment and welfare back to work through agricultural work opportunities.

Your Committee also appropriated \$800,000 for the development of facilities needed to implement a shorter quarantine requirement for animals imported into the State, while taking steps to ensure that the health, safety, and well-being of the community at-large are not compromised. Funds were also provided for additional personnel and support to aid in the fight against two harmful pests--the brown tree snake and the banana bunchy top virus--which have been highly detrimental to our environment and to Hawaii's agriculture industry. These funds will be used to assist Department of Agriculture in eradicating the banana bunchy top virus before it spreads to commercial crops in Hilo. Funds were also appropriated to increase inspector positions to protect Hawaii's environment against the threat of brown tree snakes into the State. Five positions and funding were added for the Plant Pest and Disease Control Program under the Department of Agriculture for inspector positions.

Aware that the slow-growth path of the economy inhibited the State from addressing a wider array of community problems, your Committee devoted its efforts to further economic diversification, support economic ventures, and provide economic stability. Your Committee accomplished this by facilitating efforts to support regulatory relief to small businesses through the ongoing efforts of the Blue Ribbon Task Force on Small Business. Your Committee also took action to improve the economic health of the State by expediting and facilitating the approval process within each state

agency for county building permit applications requiring state agency approval. Recognizing the need for our economy to be more broad-based, your Committee responsibly allocated public funds while continuing to seek economic growth through diversification in high technology, research and development, agriculture, and other areas of investment. To promote venture capitalism in Hawaii, your Committee provided funds for the Hawaii Strategic Development Corporation.

In summary, your Committee embarked on a financially disciplined, responsible, and pragmatic approach to invigorate our state economy by diversifying and expanding Hawaii's economic base. This was done through job creation and business support efforts, while ensuring the stability of our primary industries.

Transportation

The fitness and quality of Hawaii's transportation infrastructure plays a crucial role in sustaining the State's economy. Increases in this budget include funds for the opening of the new H-3 freeway in 1997 and various other departmental needs such as motor vehicle purchases, additional safety equipment, computer upgrades, and various repair and maintenance projects. These increases will ensure the safety of the driving public, as well as increase the capacity of Hawaii's surface transportation infrastructure.

Along with expenditures set aside for highway capital improvements, S.B. No. 1618 establishes a Transportation Improvement Special Fund that creates a mechanism enabling the Department of Transportation to work in partnership with developers to advance the construction of needed highway improvements.

In keeping with its commitment to expand tourism, your Committee approved several key expenditures of federal funds, special funds, revenue bond funds, and reimbursable general obligation bond funds for various transportation projects statewide. Your Committee authorized the expenditure of funds for improvements and expansions at airport facilities throughout the state. These improvements are intended to increase airport security and airline safety as well as to make these facilities more pleasant and convenient for visitors and residents.

In addition, your Committee increased the efficiency of the operations in harbors throughout the State by authorizing the expenditure of moneys for harbor improvements.

Environmental Protection

Hawaii's natural resources are one of the most valuable assets that Hawaii has to offer to its residents and visitors alike. Funds authorized by your Committee to protect and strengthen the natural environment include moneys to support the Department of Land and Natural Resources Resource Recovery Initiative, which is designed to enhance and protect our State's ocean and land resources.

Even in these tough fiscal times, your Committee is aware that it is essential that we protect our natural environment. To this extent your Committee has provided funds to establish monitor wells on Hawaii, Maui, and Oahu in order to provide data on maintaining sustainable yields from Hawaii's aquifers without degrading their integrity.

Your Committee has also provided funds to develop a new Kawai Nui Marsh Wildlife Sanctuary in the heart of Kailua, Oahu.

Education

Your Committee continues to afford public education the highest of all priorities. Funding has been increased in certain critical areas. However, in the face of the State's severe fiscal condition, your Committee reluctantly made reductions, but in ways that minimize the effect on classroom instruction.

More than \$30,000,000 has been authorized for various capital improvement projects, including new schools: Kauai Intermediate, Mililani Intermediate, Kapolei Intermediate, Keaau High, Kealahou High, King Kekaulike High, and Konawaena Elementary Schools. In addition, over \$40,000,000 has been authorized for various improvements to school buildings.

Due to the projected enrollment increases for regular and special education, more than \$12,600,000 has been authorized for equipment and personnel, including administrators, counselors, custodians, and food service workers, to enable five new schools to open during the biennium. These schools are Kealahou High, Mililani Intermediate, Kapaa Intermediate, Keaau II Elementary, and Waialeale Elementary Schools.

The Department of Education has authorized funding and positions to comply with the requirements of the Felix v. Cayetano consent decree to identify and correct the mental health problems of students before they become severe and expensive to treat. In addition, care coordination services at the secondary level will be implemented to ensure that students will benefit from a seamless system of educational and health services. Additional counselors will be hired to address the unique needs of at-risk students, and educational assistants will be hired for special education. These personnel and services are necessary parts of the Comprehensive Student Support System (CSSS), which is designed to address all aspects of student mental health, including counseling, diagnostic services, prevention, and family support. In this regard, the Department of Education and the Department of Health will work collaboratively to implement CSSS.

Additional resources have been provided to give more discretion in budgeting to individual schools with an increase of \$2,000,000 over the biennium to the elementary and secondary fund of the School Priority Fund. These additional funds will allow individual schools greater flexibility to purchase equipment and supplies or to retain temporary personnel to address areas of particular concern to the schools.

Beginning July 1, 1997, the Department of Education will assume complete responsibility for administering a workers' compensation program for all of its 17,000 employees and more than 20,000 casual hires. To allow the Department of

Education to fulfill its legal obligation to pay such claims, yet create incentives to reduce the trend of increasing workers' compensation costs, budget requests for the program will be funded at 90 percent and 70 percent levels for FY 1997-1998 and FY 1998-1999, respectively.

As another cost-cutting measure, your Committee made the difficult decision to eliminate the After School Instruction Program. The rationale for this reduction is that this program is not critical to classroom instruction. However, if it is determined that the service provided by this program is necessary, individual schools are allowed the flexibility to expend funds to duplicate this program.

Addressing the capital improvement needs of Hawaii's public libraries, funds have been authorized for new facilities for the communities of North Shore Kauai, Kapolei, Kahala, and Manoa.

Higher Education

The University of Hawaii (University) is the only public postsecondary institution in the state. In this age in which information is becoming increasingly important in a global economy, the University stands as the foundation for future economic development and prosperity for Hawaii.

The library is the heart of any institution of higher education since it is used by students and faculty alike in all academic disciplines. The sum of \$36,902,000 has been authorized for the renovation and expansion of Hamilton Library at the flagship Manoa campus of the University.

An authorization of \$17,200,000 has been made for a new classroom/office building at the University of Hawaii at Hilo. Additional campus development funds have been provided to modernize and upgrade the community college facilities at Maui, Windward, and Kauai Community Colleges.

To promote educational choices for UH-Hilo, your Committee has provided UH-Hilo with the opportunity to establish a tropical forestry specialization program in the college of agriculture and several new degree granting programs, specifically a master's in education, a bachelor of science in active volcano technology, and a bachelor of science in marine science. It is not the intent of your Committee to mandate the establishment of these programs but to give UH-Hilo the flexibility to decide whether these programs should be established.

The program areas of UOH 100, UOH 210, and UOH 800 were granted ceiling increases for the Tuition and Fees Special fund pursuant to Act 161, Session Laws of Hawaii (SLH) 1995, to grant increased flexibility to the University. In addition, UOH 100 and UOH 900 were granted additional funds to generate revenues for the University and the State.

The program structure of the community colleges has been reorganized to allow for more flexibility in the administration and fiscal allocations among the community colleges. The community colleges and UOH 906 (Community College System-Wide Support) will be combined under one program ID, UOH 800 (University of Hawaii Community Colleges). Each Community College and the System-Wide Support will still retain its own sub-organizational code to ensure that each campus's identity is not lost under the new program ID.

In UOH 100 (University of Hawaii-Manoa), \$4,000,000 was added to the Research and Training Revolving Fund pursuant to Act 237, SLH 1996. Furthermore, \$400,000 in general funds was added to address the problems of teacher shortages in the public schools on the Neighbor Islands and rural Oahu, such as special education, math and science, Hawaiian language immersion, and vocational education.

Responding to the need to improve access to quality education throughout the state, positions and funds were added. To address the growing demand for postsecondary education on the west side of the Big Island, nine positions and \$925,319 were transferred from UOH 210 (University of Hawaii-Hilo) to UOH 800 (University of Hawaii Community Colleges). Furthermore in UOH 800, two positions and \$75,000 were added for the University Center on Maui, and two positions and \$100,000 were added for the University Center on Kauai.

In UOH 900 (University of Hawaii--Systemwide Support), \$1,000,000 was added to the Discoveries and Inventions Revolving Fund for Student Information Systems. In addition, funds were transferred for unemployment insurance claims from the Department of Labor and Industrial Relations, and funds for workers' compensation costs from the Department of Human Resources to ensure accountability by the University in these areas.

Health

The appropriations authorized by your Committee in the area of health will ensure the quality of care and improve the scope of services to meet the public health needs of this state.

One major area that concerns your Committee is the Hawaii Health Systems Corporation (Corporation). Due to the lack of leadership and management, the inability to account for funds, and questions regarding the allocation of funds, your Committee has requested the Legislative Auditor to conduct a study on the Corporation. However, because your Committee believes that the corporation can become efficient and able to generate revenues, \$8,000,000 has been appropriated for FY 1998-1999. This will help to ensure that the Corporation retains its current level of services to the public.

As a result of improving the system of care within the Child and Adolescent Mental Health Division and the Hawaii State Hospital, the moneys appropriated reflect the state's priority in facilitating change and improving needed services for our mental health population. Over \$4,000,000 in each fiscal year of the fiscal biennium is being provided to comply with a United States Department of Justice (DOJ) mandate, which orders the discharge of patients from the Hawaii State Hospital and enhancement of community-based services. As a part of the DOJ mandate, funding for a new MIS system has also been appropriated.

As the state moves toward an integrated system of care for children and adolescents with mental health disabilities, your Committee has appropriated \$11,234,286 for FY 1997-1998 and \$10,849,033 for FY 1998-1999 to comply with the Felix vs. Cayetano Consent Decree. Because there are many children and adolescents who are being provided treatment in mainland based institutions at state cost, your Committee has also appropriated \$3,886,000 for residential children's facilities throughout the State for children and adolescents with severe mental disabilities. Your Committee understands that this consent decree remains one of the nation's largest of this kind. Accordingly, budgetary measures have been taken to improve the current quality of services.

Sensitive to the needs of our aging population, your Committee has allowed the transfer of the Executive Office on Aging from the Department of Human Services to the Department of Health. Regarding ambulance services, due to the isolated nature of Hana, Maui from any existing ambulance sight, your Committee has appropriated \$325,128 to the Emergency Medical Services Division for a Hana ambulance.

Human Services

The Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Federal Welfare Reform Act) has had a significant impact of federal funding for human services programs in the State. The Aid to Families with Dependent Children (AFDC) program was replaced with the Temporary Assistance to Needy Families (TANF) program. The Temporary Assistance to Other Needy Families (TAONF) program has also been established to provide assistance for two adult families who cannot meet the work requirements.

One of the most profound changes brought about by the new law is the new federal block grant system that replaces the old system of entitlements and imposes strict work requirements and time limits on eligibility upon qualified recipients. The new law blocks the State's level of funding at fiscal 1993-1994 levels. In spite of these obstacles, your Committee has provided necessary funding for the TANF and TAONF programs.

Despite the current fiscal climate, your Committee recognizes the need to protect individuals in need of basic human services. For example, your Committee has provided for legal aliens, who are barred from receiving federal assistance, in TAONF, the Payments to Assist the Aged, Blind, and Disabled (AABD), and General Assistance (GA) programs. At the same time, your Committee has removed the 24-month time limit in the GA payments program.

Based on the recommendations to restructure departmental organization, public assistance programs will be consolidated with employment and child care programs in response to the Federal Welfare Reform Act. In addition, social services programs and community long-term programs will be combined into a new Social Services Division to provide the focus and attention needed to deliver child welfare and adult services efficiently and effectively.

Your Committee authorized funding for the implementation of phase II of the QUEST program which will begin in FY 1997-1998. The Department anticipates the placement of approximately 10,500 Medicaid Aged, Blind, and Disabled program participants into managed care. The objectives of enrolling these individuals in managed care include improving overall care and reducing costs for the State. As the costs of these programs are commingled under a single program identification number, your Committee encountered difficulties in identifying QUEST and Medicaid costs. To resolve the confusion over program costs, your Committee created a new program: QUEST Health Care Payments (HMS 245), to clearly identify QUEST costs.

Within the limits imposed by available resources, your Committee increased funding by \$4,900,000 for FY 1997-1998 and \$6,300,000 for FY 1998-1999 for the expansion of home and community-based services for the elderly as an alternative to more costly institutionalized care.

Public Safety

Your Committee is cognizant of the serious prison overcrowding situation and has taken steps to not only ensure that our current needs for high, medium, and low security beds are met, but that the future demands on our already overburdened prison system will be taken into account. Implementation of federal truth-in-sentencing requirements along with our own "get tough on crime" policy will surely create a major impact on our future prison populations.

To address our immediate needs and future concerns, your Committee has appropriated funds to expand the number of prison beds by providing 75 percent funding for:

- (1) 150-bed expansion at the Halawa correctional facility;
- (2) 200-bed expansion and renovation at the Waiawa Correctional Facility;
- (3) 280-bed expansion at the Oahu Community Correctional Center, and;
- (4) 84-bed dormitory at the Women's Community Correctional Center.

Your Committee has also provided nearly \$2,000,000 in program services for the KASHBOX program at Waiawa and has provided an additional \$15,000,000 to transfer approximately 600 inmates to mainland United States facilities in 1998 and 1999.

In an attempt to help defray the costs of construction of additional facilities, your Committee has reduced over \$650,000 in vacant positions within the Department of Public Safety.

Government-Wide Support

Meeting the operating needs of the State presented many challenges to your Committee over the past several years. Your Committee sought to meet a balance allocating declining revenues while trying to best meet the needs of Hawaii's people.

Last year's approval of a state payroll lag system in Act 80, SLH 1996, was an attempt by the Legislature to make the State's payroll system both less costly and more manageable. By converting the State's employee payroll system from an advanced disbursement to an after-the-fact payment system, the Legislature hoped to realize significant cost savings for the State.

However, claims that the proposal requires negotiation under the bargaining process have been set forth by several employee unions and the Hawaii Labor Relations Board. In consideration of the concerns raised and the need for this revenue-generating mechanism, your Committee approved S.B. No. 1421 to implement the conversion of the predicted payroll to the after-the-fact payroll beginning FY 1998-1999.

Another item approved by your Committee that promises to result in significant savings to the State is S.B. No. 257, which proposes to reduce the volatility of fluctuating employer contributions to the pension accumulation fund of the Employees' Retirement System.

Various expenditure authorizations were made for infrastructure development, including \$36,000,000 for the Kakaako Makai District and \$3,000,000 for each of the neighbor island counties for the development of water, sewage, and other projects.

In consideration of the State's obligation to the Hawaiian home lands trust fund pursuant to Act 14, Special Session of Hawaii 1995, your Committee doubled the State's \$30,000,000 annual settlement payment for FY 1997-1998. In the long run, cost savings will result to the State from lower future interest payments, while expediting the development of Hawaiian home lands for the use of native Hawaiians.

To encourage the development of lower-income housing to meet the housing needs of the State, \$20,000,000 was authorized for the Rental Housing Trust Fund. This should facilitate the creation of more opportunities to obtain private, county, or federal participation in the financing of lower-income housing.

One particularly urgent expenditure item approved by your Committee in the area of government-wide support is the funding to prepare the State's computer systems for the year 2000. Computer information systems throughout the world rely on date calculations, chronological listings, and future milestone dates. Unfortunately, many computer systems of the State were not designed to carry date fields that adjust to the year 2000. For example, computer files typically store the year 1997 as "97". Under such a system, the year 2000 will be stored as "00" or misinterpreted as "1900". If adjustments are not instituted by the year 2000, screens, lists, reports, files, records, and other data that rely on dates will be out of order resulting in erroneous calculations. Your Committee has approved funds to address this problem in a timely manner.

EMERGENCY APPROPRIATIONS FOR FY 1996-1997

In addition to providing for the State's future needs, your Committee also had the difficult challenge of providing emergency funding for this current fiscal year. Your Committee approved several measures making emergency appropriations to address shortfalls in the current fiscal year.

S.B. No. 1548, enacted into law as Act 10, SLH 1997, appropriates \$54,745,844 to the Department of Human Services to meet the financial obligations of the Medicaid Fee-For-Service and QUEST programs for the current fiscal year. Approximately \$54,000,000 will be used to address the larger than expected enrollment in these programs. The remaining funds will be used to provide wraparound payments to Hawaii qualified health centers.

H.B. No. 1839, enacted into law as Act 29, SLH 1997, appropriates \$9,218,665 for the Department of Health to ensure full compliance with the court-ordered requirements of the Felix vs. Cayetano Consent Decree. The Felix consent decree requires the Department to provide a comprehensive array of residential and outpatient services to children and adolescents with mental health needs. Problems in forecasting the actual number of children and adolescents requiring services under the consent decree over the previous fiscal year resulted in the shortfall for the current fiscal year. The Department has since improved its ability to forecast the resources needed to ensure compliance with the consent decree.

H.B. No. 1840 provides an emergency appropriation of approximately \$12,000,000 to the Hawaii Health Systems Corporation to meet revenue shortfalls caused by high fixed overhead costs within the hospital system. The emergency allocation will provide the Corporation with additional assistance in making the transition toward self-sufficiency.

S.B. No. 1433, enacted into law as Act 3, SLH 1997, appropriates \$10,000,000 for tourism marketing covering Japan and the United States. This promotion is intended to address two disturbing concerns: the emerging downward trend in the Japanese visitor market as well as a prediction of little or no growth in arrivals from the United States.

CONCLUSION

Faced with diminishing tax revenues, and ever increasing budget demands, your Committee carefully scrutinized the executive budget for fiscal biennium 1997-1999. The budget has been developed to ensure the continued provision of needed services, such as education, infrastructure development, and general assistance, while taking steps to improve the State's economy. Your Committee believes that this budget, coupled with other measures, will help move Hawaii's economy forward. In so doing, the quality of life of Hawaii's people will also be improved substantially.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 350, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 350, HD 1, SD 1, CD 1.

Representatives Say, Abinsay, Ahu Isa, Chang, Goodenow, Hamakawa, Ito, Kahikina, Kanoho, Kawakami, Nakasone, Suzuki, White, Fox, Marumoto, Meyer and Ward,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga, M. Ige, Ihara, Iwase, Kawamoto, Levin, Tam, Tanaka, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 161 on H.B. No. 1390

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of and capital improvements for the Judiciary Branch for the 1997-1999 fiscal biennium.

Your Committee finds that the appropriations in this biennium budget address some of the Judiciary's most urgent needs. For the most part, this measure reflects the Judiciary's budgetary recommendations. However, in light of the current fiscal situation, your Committee was unable to provide the funding requested by the Judiciary in its entirety.

Your Committee would like to highlight three areas within the scope of funding for the Judiciary:

- (1) The Hawaii Drug Court Program;
- (2) Purchases of services for domestic violence; and
- (3) Repair and maintenance of Judiciary facilities.

Hawaii Drug Court Program

In 1995, the Hawaii Drug Court Program (Program) was established on a temporary basis to address the growing drug offender problem. The Program offers a viable alternative to incarceration and provides enhanced treatment options.

Currently, the Program is funded with state moneys appropriated under Act 25, Special Session Laws of Hawaii 1995, and federal grants from the Bureau of Justice Assistance of the United States Department of Justice. Act 25 funded and authorized the establishment of the Program and seven temporary positions.

At the same time, the federal grants were used to establish six additional temporary positions to provide the necessary staffing to operate the Program at its intended service levels. Unfortunately, these federal grants will expire in June, 1997. At that time, additional state funding, totalling approximately twenty-four percent of the Program's costs, will be needed to continue operations at current service levels.

During its two years of existence, the Program has proven to be an effective and cost-efficient means of dealing with nonviolent drug offenders. For this reason, your Committee has provided the funds necessary to make the Program permanent.

Purchases of Service

To address the continual increase in domestic violence abuse cases, your Committee has authorized additional funding of \$1,301,750 for fiscal year 1997-1998 and \$983,000 for fiscal year 1998-1999 for family courts to provide purchases of services to all parties affected by domestic violence. These additional funds will also support the Domestic Violence Drop-in Center and the Domestic Violence Legal Hotline.

Repair and Maintenance

Your Committee finds that certain Judiciary facilities suffer from interior and structural deterioration. This has led to increased concerns for the safety and welfare of users of these facilities. To address these concerns, the additional sum of \$1,371,000 for fiscal year 1997-1998 has been included in the Judiciary capital improvement project budget for major repair and maintenance projects.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1390, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1390, HD 1, SD 2, CD 1.

Representatives Say, Abinsay, Ahu Isa, Chang, Goodenow, Hamakawa, Ito, Kahikina, Kanoho, Kawakami, Nakasone, Suzuki, White, Fox, Marumoto, Meyer and Ward,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga, M. Ige, Ihara, Iwase, Kawamoto, Levin, Tam, Tanaka, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 162 on H.B. No. 2060

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of the Office of Hawaiian Affairs (OHA) for the 1997-1999 fiscal biennium.

Your Committee has carefully considered the budget requests submitted by OHA and has sought to ensure that critical programs are maintained. However, due to the State's current fiscal situation, your Committee has adopted a conservative approach based on the March 1997 projections of the Council of Revenues and believes that the proposed biennium funding will enable OHA to meet its program objectives.

Your Committee has amended this measure by:

- (1) Maintaining the same level of general fund appropriation for the fiscal year 1997-1998;
- (2) Reducing the general fund appropriation by \$61,699 for the 1998-1999 fiscal year to address the current fiscal situation; and
- (3) Authorizing an increase in trust fund appropriations to meet the needs of OHA.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2060, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2060, HD 1, SD 1, CD 1.

Representatives Say, Abinsay, Ahu Isa, Chang, Goodenow, Hamakawa, Ito, Kahikina, Kanoho, Kawakami, Nakasone, Suzuki, White, Fox, Marumoto, Meyer and Ward,
Managers on the part of the House.

Senators Fernandes Salling, Fukunaga, M. Ige, Ihara, Iwase, Kawamoto, Levin, Tam, Tanaka, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 163 on H.B. No. 2019

The purpose of this bill is to:

- (1) Amend the definition of "inert fill material" to:
 - (A) Exclude material that is more than eight inches in diameter or that contains exposed steel reinforcing rods; and
 - (B) Exclude material that contains any vegetative or organic matter, or other solid waste;
- (2) Amend the definition of "solid waste" to exclude "inert fill material";
- (3) Appropriate \$100,000 out of the Environmental Management Special Fund to review, revise, and update the State Integrated Solid Waste Management Plan; and
- (4) Amend the provisions relating to the advance disposal fee for glass containers by:
 - (A) Extending the period of applicability of the one and one-half cent advance disposal fee currently imposed on each tempered glass container imported into the State until December 31, 1997 (instead of September 1, 1996); and
 - (B) Raising the advance disposal fee to two cents per glass container effective January 1, 1998.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions relating to:
 - (A) The definitions of "inert fill material" and "solid waste"; and
 - (B) The advance disposal fee for glass containers; and
- (2) Inserting a purpose section relating to the need to revise the State Integrated Solid Waste Management Plan.

In the event that other measures also appropriate moneys to update the State Integrated Solid Waste Management Plan, it is the Legislature's intent that total appropriations not exceed \$100,000 for this purpose.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2019, HD 1, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2019, HD 1, SD 2, CD 1.

Representatives Yoshinaga, Say, Goodenow, Hamakawa and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf, Fukunaga, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 164 on H.B. No. 1292

The purpose of this bill is to provide private landowners with incentives to promote the conservation and recovery of threatened and endangered species and their habitats.

It is the intent of your Committee that the Department of Land and Natural Resources establish and maintain a public relations program to ensure good rapport between staff and private landowners concerning the monitoring and enforcement of habitat conservation plans, safe harbor agreements, and incidental take licenses.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1292, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1292, HD 1, SD 1, CD 1.

Representatives Yoshinaga, Kanoho, Goodenow, Tarnas and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 165 on H.B. No. 1837

The purpose of this bill is to create a mechanism for funding the activities of local emergency planning committees that develop emergency response plans to respond to hazardous material incidents that may occur in their districts pursuant to the Hawaii Emergency Planning and Community Right-to-Know Act.

Specifically, this bill:

- (1) Requires moneys in the environmental response revolving fund to be expended by the Department of Health for preparedness, in addition to response actions;
- (2) Requires the Department of Health to establish a local emergency response planning committees account within the environmental response revolving fund;
- (3) Requires all moneys to meet the expenses of the emergency planning and community right-to-know program to be appropriated out of the environmental response revolving fund;
- (4) Requires all filing fees submitted with chemical inventory forms or Tier II reporting forms to be deposited into the environmental response revolving fund, rather than the state general fund.

Your Committee on Conference has amended this bill by substituting the HD 2 draft. Specifically, this bill is amended by:

- (1) Adding the word "also" in section 2 of the bill amending section 128D-2(b)(1), Hawaii Revised Statutes, on page 2, line 19;
- (2) Inserting in section 3 of the bill that amends section 128E-8(b), Hawaii Revised Statutes, the provision that all moneys to meet the expenses of the emergency planning and community right-to-know program are to be appropriated out of the state general fund in addition to the environmental response revolving fund;
- (3) Inserting in the same section the provision that the appropriations from the environmental response revolving fund shall not exceed the amount of moneys collected from the filing fees assessed in section 128E-9, Hawaii Revised Statutes upon submission of chemical inventory (Tier II) forms;
- (4) Adding a new section amending section 128D-4, Hawaii Revised Statutes, to add a new subsection (e) that allows the Governor to raise the legislative ceiling established in the environmental response revolving fund if the governor determines that sufficient funds do not exist within the ceiling to conduct emergency response actions; and
- (5) Making an appropriation of \$500,000 in fiscal year 1997-1998 out of the revenues of the environmental response revolving fund for the purpose of conducting non-oil response actions consistent with the Environmental Response Law, to be expended by the Department of Health.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1837, HD 2, SD 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1837, HD 2, SD 2, CD 1.

Representatives Yoshinaga, Kanoho, Garcia, Hamakawa and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 166 on H.B. No. 1243

The purpose of this bill is to authorize the Department of Health to establish toxicologist positions and an air quality modeler positions, and to authorize funding for those positions through the environmental response revolving fund and the clean air special fund, respectively.

Your Committee finds that the Department of Health is moving toward the adoption of risk-based environmental management strategy, and away from rigid technical standards. The department needs to have professional staff, specifically toxicologists and air quality modelers, capable of assessing airborne chemical threats to the environment to adequately monitor the dispersion of air releases and to evaluate their impact on human populations.

Your Committee has amended this bill by providing for the funding of one toxicologist and one air quality modeler. Your Committee has also amended this bill by establishing an advisory task force within the Department of Health for administrative purposes to conduct an assessment of air quality at Campbell Industrial Park and Kahe Valley on Oahu and to determine the air quality impacts of emissions sources in these locations. The task force may collaborate with a private entity to use its best efforts to raise funds for independent consultants to assist in the assessment.

The consultant shall consult with the department's toxicologists and air quality modelers to prepare a report on air quality, the capacity of the Campbell facility to accommodate the expansion of present facilities and the addition of new ones, and to consider alternatives. That report shall be submitted to the task force and the department, and the task force shall submit an interim progress report to the legislature for the 1998 session and a final report to the 1999 session.

Your Committee has also amended this bill by requiring every owner or operator of a major source within Campbell Industrial Park or Kahe Valley, and every operator or owner of a geothermal facility, to submit an annual report to the department on the type and quantity of criteria pollutants emitted by the facility and a description of the controls and other measures being used to control emissions. The department shall review and evaluate these reports and issue its own report with a summary of ambient air quality data for each pollutant, a comparison against state and federal standards, impacts of the pollutants' adverse effects on human health and the environment, and a report on the five year trends. These monthly reports will be distributed to the adjacent neighborhood boards and community associations.

Your Committee has further amended this bill by requiring the department to review reports submitted by the specified owners and operators of their unpermitted releases to determine whether such releases may have an adverse impact on human health. The department shall notify the adjacent neighborhood boards and community associations of these unpermitted releases that may have such an adverse impact as soon as circumstances warrant. Your Committee has specifically required that this notification be in plain language, as your Committee is concerned that technical reports will not be readily understood by the public. The plain language requirement will ensure that the notice will be comprehensible and understood.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1243, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1243, HD 1, SD 1, CD 1.

Representatives Yoshinaga, Kanoho, Goodenow, Hamakawa and Meyer,
Managers on the part of the House.

Senators Levin, Metcalf and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 167 on H.B. No. 1798

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

Senators Fernandes Salling, Fukunaga, Bunda, Chun Oakland, M. Ige and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 168 on S.C.R. No. 171

The purpose of this concurrent resolution as received is to request the Auditor to conduct a financial and management audit of the Hawaii State Library System.

Your Committee has amended this concurrent resolution to add a BE IT FURTHER RESOLVED clause that the Auditor visit the libraries and communicate with the librarians in gathering information for the audit.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 171, SD 1, HD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.C.R. No. 171, SD 1, HD 1, CD 1.

Representatives Stegmaier, Morita, Santiago and Moses,
Managers on the part of the House.

Senators Tam, Aki, Fernandes Salling, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 169 on S.C.R. No. 182

The purposes of this concurrent resolution are:

- (1) To urge the Board of Education (BOE) to adopt an educational bill of rights for deaf, hard-of-hearing, and deaf-blind children that includes the list of rights set out in the resolution;
- (2) Request that the BOE review and consider the educational bill of rights when making decisions on deaf, hard-of-hearing, and deaf-blind children's education; and
- (3) Request that the BOE submit a report on the status of the actions taken to address this issue to the Legislature twenty days prior to the convening of the 1998 Regular Session.

Your Committee on Conference amended this concurrent resolution by:

- (1) Stating that the list set out in the resolution be included among those rights referred to as the educational bill of rights for deaf, hard-of-hearing, and deaf-blind children; and
- (2) Replacing the paragraph urging the BOE to adopt an educational bill of rights for the deaf, hard-of-hearing, and deaf-blind children with a paragraph urging the BOE to review its policy for working with Hawaii's deaf, hard-of-hearing, and deaf-blind community members.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 182, SD 1, HD 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 182, SD 1, HD 1, CD 1.

Representatives Stegmaier, Morita, Morihara and McDermott,
Managers on the part of the House.

Senators Tam, Aki, Fernandes Salling, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 170 on S.C.R. No. 270

The purpose of this concurrent resolution is to request the Auditor to conduct a management and financial audit to determine the effectiveness of recent decentralization efforts of the Department of Education.

Your Committee agrees with the general intent of the measure, which is to audit the decentralization efforts of the Department of Education. However, your Committee believes that the audit should encompass more than just decentralization efforts. In recent years, the Legislature has passed various pieces of legislation designed to decentralize Hawaii's public school system and increase the educational effectiveness of the Department of Education.

Upon further consideration, your Committee has amended the measure to reflect this broader focus by incorporating language that would assist the Department of Education in determining how to:

- (1) Determine the effectiveness of the lump-sum budget approach in school/community-based management schools; and
- (2) Utilize the concept of planning programming budgeting within its lump-sum budget planning.

Your Committee has also inserted language that requests the Auditor to make recommendations on furthering the school/community-based management system and amended the title of the measure to reflect its broader scope.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 270, SD 1, HD 1, as amended herein, and recommends that it be adopted in the form attached hereto as S.C.R. No. 270, SD 1, HD 1, CD 1.

Representatives Stegmaier, Morita, Tarnas and Moses,
Managers on the part of the House.

Senators Tam, Aki, Fernandes Salling, M. Ige and Metcalf,
Managers on the part of the Senate.

Conf. Com. Rep. 171 on H.B. No. 100

The purpose of this bill is to reduce no-fault insurance premiums and to preserve adequate protection of the rights of drivers.

This bill renames "no-fault benefits" to "personal injury protection benefits" and "no-fault policy" to "motor vehicle insurance policy."

Your Committee has carefully considered a return to a liability system that predated the no-fault system in Hawaii. The purpose of a liability system is to protect the rights of injured drivers and to hold negligent drivers accountable. However, your Committee finds that a liability system has potential drawbacks in that it promotes litigation, raises costs, and delays compensation. Yet liability systems have advantages of simplicity, accountability, and lower premium costs due to the absence of first-party coverage and resulting administrative costs.

Similarly, no-fault systems have their advantages and disadvantages. No-fault systems strive to compensate for economic damages more quickly on a first-pay basis. Yet, medical and wage loss benefits often duplicate other health and disability insurance.

Your Committee desires to maintain a system of immediate compensation through personal injury protection benefits without regard to fault, similar to the workers' compensation system, while maintaining tort liability to compensate accident victims above what they are compensated for by personal injury protection benefits. In this manner, persons with serious and permanent injuries are protected and negligent drivers pay for causing those injuries. Such a system necessarily must weed out the lesser injuries, such as soft-tissue and whiplash, in order to achieve its objectives.

Your Committee agreed that reform of Hawaii's automobile insurance system must:

- (1) Reduce premium rates;
- (2) Avoid cost shifting to employers for personal injury protection benefits;
- (3) Adequately compensate victims of automobile accidents;

- (4) Protect the rights of seriously injured drivers;
- (5) Hold negligent and reckless drivers accountable for damages caused by them;
- (6) Deliver generous and immediate medical benefits without regard to fault; and
- (7) Create a fair and equitable system which meets the needs of all parties concerned, including drivers, insurers, and attorneys.

Your Committee has crafted a measure that achieves these goals while at the same time balancing the interests of all concerned with motor vehicle insurance. Your Committee believes that this conference draft combines the beneficial aspects of both the House and Senate proposals and lowers insurance premium rates.

With respect to tort liability, your Committee has retained the current law allowing tort liability for death, significant permanent loss of use of a part or function of the body, and permanent and serious disfigurements. However, the requirement that personal injury protection benefits be exhausted before a lawsuit is permitted has been replaced with a provision allowing lawsuits where the personal injury protection benefits incurred equal or exceed \$5,000. Your Committee has deleted the medical-rehabilitative limit, which your Committee finds is an unnecessary cost driver in the system. Your Committee has also discouraged small claims and lawsuits by providing for a covered loss deductible. Every award is to be reduced by at least \$5,000 or the amount of personal injury protection benefits incurred, whichever is greater. For example, a \$9,000 recovery that includes covered personal injury protection benefits of \$7,200 and \$1,800 for pain and suffering, will result in an award of \$1,800. If \$10,000 or more of personal injury protection benefits are incurred, the award will be reduced by \$10,000.

In summary, as amended, H.B. No. 100, HD 1, SD 1, does the following:

- (1) Retains tort liability for:
 - (A) Death;
 - (B) Significant permanent loss of use of a part or function of the body; and
 - (C) Permanent and serious disfigurement resulting in mental or emotional suffering (§431:10C-306);
- (2) Deletes the medical-rehabilitative limit (§431:10C-308) and peer review (§431:10C-308.6) provisions;
- (3) Provides personal injury protection benefits (PIP) for medical and rehabilitation expenses of \$10,000 (new §431:10C-A) and deletes wage loss, funeral, and substitute services benefits (§431:10C-103);
- (4) Requires a reduction of award (new §431:10C-C) of \$5,000 or the PIP incurred, whichever is greater;
- (5) Allows claims and lawsuits if PIP equals or exceeds \$5,000 (§431:10C-306);
- (6) Retains 50 per cent reimbursement to the PIP insurer from any recovery, whether by suit or settlement (§431:10C-307);
- (7) Requires bodily injury liability coverage of \$20,000 per person, with an aggregate limit of \$40,000 per accident (§431:10C-301);
- (8) Requires property damage liability coverage of \$10,000 (§431:10C-301);
- (9) Provides optional uninsured and underinsured coverage in the same amount of bodily injury liability coverage (§431:10C-301);
- (10) Provides new optional coverages (§431:10C-302) for:
 - (A) Wage loss benefits;
 - (B) Death benefits;
 - (C) Managed care arrangements; and
 - (D) Treatment for naturopathic, acupuncture, and nonremedial care and treatment (faith healing);
- (11) Requires a reduction in premiums of at least twenty to thirty-five percent on policies in effect on July 1, 1996;
- (12) Creates an insurance fraud investigation unit within the Insurance Division to investigate and prosecute insurance fraud, which will be funded by the motor vehicle insurance administration revolving fund and makes appropriation from that fund for that purpose;
- (13) Provides an effective date of January 1, 1998; and
- (14) Creates a task force, consisting of the Insurance Commissioner and two other members, to make recommendations for further improvements to the motor vehicle insurance system.

Your Committee has also made numerous technical and minor amendments as follows:

- (1) Requires plain language billings that clearly identify coverage and their individual costs;
- (2) Defines the responsibility of rental car companies and drivers for primary insurance coverage;
- (3) Provides an amnesty opportunity for those who have been uninsured to buy insurance without penalty;
- (4) Clarifies that written rejection is required for uninsured and underinsured motorist benefit options to eliminate any uncertainty;
- (5) Provides a uniform requirement that all optional coverages and premium information be offered at inception and with every other renewal or replacement thereafter; and
- (6) Provides that tort claims for injuries to motorcycle and motor scooter owners and operators are the same as for motor vehicle accidents.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 100, HD 1, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 100, HD 1, SD 1, CD 1.

Representatives Menor, Tom, Say, Yamane and Whalen,
Managers on the part of the House.

Senators Baker, D. Ige and Slom,
Managers on the part of the Senate.

SPECIAL COMMITTEE REPORT**Spec. Com. Rep. 1**

Your Committee on Credentials begs leave to report that it has thoroughly considered the matter of the seating of the members-elect of the House of Representatives of the Nineteenth Legislature of the State of Hawaii, Regular Session of 1997, and finds that the following members-elect are duly qualified to sit as members of the House of Representatives, to wit:

FIRST DISTRICT:	Dwight Y. Takamine
SECOND DISTRICT:	Jerry L. Chang
THIRD DISTRICT:	Eric G. Hamakawa
FOURTH DISTRICT:	Robert N. Herkes
FIFTH DISTRICT:	Paul Whalen
SIXTH DISTRICT:	David A. Tarnas
SEVENTH DISTRICT:	Michael B. White
EIGHTH DISTRICT:	Joseph M. Souki
NINTH DISTRICT:	Bob Nakasone
TENTH DISTRICT:	David Morihara
ELEVENTH DISTRICT:	Chris Halford
TWELFTH DISTRICT:	Hermína Morita
THIRTEENTH DISTRICT:	Ezra R. Kanoho
FOURTEENTH DISTRICT:	Bertha C. Kawakami
FIFTEENTH DISTRICT:	David D. Stegmaier
SIXTEENTH DISTRICT:	Gene Ward
SEVENTEENTH DISTRICT:	Barbara Marumoto
EIGHTEENTH DISTRICT:	Calvin K.Y. Say
NINETEENTH DISTRICT:	Brian Y. Yamane
TWENTIETH DISTRICT:	Scott K. Saiki
TWENTY-FIRST DISTRICT:	Galen Fox
TWENTY-SECOND DISTRICT:	Terry Nui Yoshinaga
TWENTY-THIRD DISTRICT:	Ed Case
TWENTY-FOURTH DISTRICT:	Sam Aiona
TWENTY-FIFTH DISTRICT:	Kenneth T. Hiraki
TWENTY-SIXTH DISTRICT:	Quentin K. Kawanānākoa
TWENTY-SEVENTH DISTRICT:	Lei Ahu Isa
TWENTY-EIGHTH DISTRICT:	Dennis A. Arakaki
TWENTY-NINTH DISTRICT:	Felipe P. Abinsay, Jr.
THIRTIETH DISTRICT:	Romy M. Cachola
THIRTY-FIRST DISTRICT:	Nathan Suzuki
THIRTY-SECOND DISTRICT:	Bob McDermott
THIRTY-THIRD DISTRICT:	Tom Okamura

THIRTY-FOURTH DISTRICT:	K. Mark Takai
THIRTY-FIFTH DISTRICT:	Noboru Yonamine
THIRTY-SIXTH DISTRICT:	Roy M. Takumi
THIRTY-SEVENTH DISTRICT:	Nestor R. Garcia
THIRTY-EIGHTH DISTRICT:	Marilyn B. Lee
THIRTY-NINTH DISTRICT:	Ron Menor
FORTIETH DISTRICT:	Marcus R. Oshiro
FORTY-FIRST DISTRICT:	Paul T. Oshiro
FORTY-SECOND DISTRICT:	Mark Moses
FORTY-THIRD DISTRICT:	Michael Puamamo Kahikina
FORTY-FOURTH DISTRICT:	Merwyn S. Jones
FORTY-FIFTH DISTRICT:	Alexander C. Santiago
FORTY-SIXTH DISTRICT:	Colleen Meyer
FORTY-SEVENTH DISTRICT:	Terrance W.H. Tom
FORTY-EIGHTH DISTRICT:	Ken Ito
FORTY-NINTH DISTRICT:	Cynthia Henry Thielen
FIFTIETH DISTRICT:	David A. Pendleton
FIFTY-FIRST DISTRICT:	Kenny Goodenow

Signed by Representatives Tom (Chair), Yamane (Vice Chair); Cachola, Lee, Menor, Pendleton and Whalen.