

**SCRep. 698 Judiciary & Hawaiian Affairs on H.B. No. 2349**

The purpose of the bill is to amend the law giving authorized emergency vehicles certain privileges in traffic by:

- (1) Including police vehicles used in the performance of a police function as an authorized emergency vehicle;
- (2) Expanding privileges to include driving on the shoulder and median of roadways and in controlled-access roadways, highways, and facilities; and
- (3) Removing the requirement that the privileges apply only if the emergency vehicle uses audible and visual signals.

Your Committee received testimony in support of the measure from the Honolulu Police Department. The Department of Transportation expressed concerns regarding the measure.

Your Committee finds that section 291C-1, Hawaii Revised Statutes, already include publicly or privately-owned police vehicles as "authorized emergency vehicles."

Your Committee has amended this bill by deleting the specific reference to vehicles used by the police.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2349, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2349, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Morita and Whalen.

**SCRep. 699 Judiciary & Hawaiian Affairs on H.B. No. 2301**

The purpose of this bill is to strengthen the current law with regard to the use of intoxicants while operating a motor vehicle. Specifically this bill:

- (1) Applies repeat intoxicated driver provisions to persons with prior drug enforcement contacts;
- (2) Clarifies that a person who has refused a chemical test for either alcohol or drugs will not be eligible for a conditional license permit;
- (3) Clarifies the administrative review procedure for the revocation of a driver's license; and
- (4) Mandates police officers to inform arrestees of only those revocation sanctions applicable to the offense, when attempting to obtain implied consent of an operator of a vehicle to submit to testing to determine alcohol and drug intoxication.

Your Committee received testimony in support of this measure from the Judiciary, the Department of Transportation, Mother's Against Drunk Drivers, the Department of the Prosecuting Attorney, and the Honolulu Police Department.

Your Committee finds that:

- (1) When the driving-under-the-influence consolidation legislation was originally crafted, there was no intent to allow drivers who refuse to be tested to be able to obtain a condition license permit;
- (2) It was the original intent of the consolidation legislation to keep prior drug enforcement contacts separate from prior alcohol enforcement contacts when referring to repeat intoxicated drivers; and
- (3) Experiences of law enforcement officers indicate that although the statute requires them to inform drivers of the alcohol related and drug related sanctions for refusing to be tested, there must be some latitude given to officers by requiring that only applicable information be given to the driver when informing the drivers of the driver's rights.

Your Committee has amended this bill by

- (1) Deleting the provisions that applied prior drug enforcement contacts to repeat intoxicated driver provisions; and
- (2) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2301, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2301, H.D. 2.

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

**SCRep. 700 Judiciary & Hawaiian Affairs on H.B. No. 2266**

The purpose of this bill is to:

- (1) Define the term "accretion" and clarify that the definition of the term "public lands" may include accreted lands;
- (2) Require the Office of Environmental Quality Control (OEQC) to inform the public of applications for registration of beachfront accretion;
- (3) Limit the registration of land by accretion to the State, except for lands accreted within private property lines which restore eroded areas; and
- (4) Limit the authority of the Land Use Commission to designate accreted lands to any land use district except conservation.

Your Committee received testimony in support of the bill from the City and County of Honolulu, Hawaii's Thousands Friends, Life of the Land, and private citizens. Kamehameha Schools testified in opposition. The Board of Land and Natural Resources commented on the measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2266, H.D. 2.

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

#### **SCRep. 701 Judiciary & Hawaiian Affairs on H.B. No. 2496**

The purpose of this bill is to:

- (1) Provide that a person who cares for one or two unrelated children is exempt from child care licensing and registration requirements; and
- (2) Allow the Department of Human Services (DHS) to:
  - (a) Investigate child care providers who allegedly are caring for more than two unrelated children without a child care license; and
  - (b) Seek and obtain a warrant in district court for its investigation, if necessary.

Your Committee received testimony in support of the bill from DHS. DHS testified that a previous amendment to the statutory definition of childcare facility had inadvertently failed to clarify that the definition did not apply to persons caring for two or fewer unrelated children. Also, DHS testified that it can better address complaints of illegal child care if it is authorized to investigate the number of children and hours of care provided by caregivers, and, when necessary, obtain a warrant for this purpose.

Your Committee amended the bill to clarify that the warrant that DHS may obtain from district court is a search warrant, and that the search warrant is to be directed to DHS and the appropriate county police department.

Your Committee also made technical, nonsubstantive amendments to the bill for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2496, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2496, H.D. 1.

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

#### **SCRep. 702 Judiciary & Hawaiian Affairs on H.B. No. 2672**

The purpose of this bill is to prohibit fundraising activities in public offices where government business is conducted.

Your Committee received testimony in support of this bill from the State Ethics Commission, Common Cause Hawaii, and the League of Women Voters of Hawaii, and two concerned individuals. The State Campaign Spending Commission testified in opposition to this measure.

Your Committee finds it appropriate to prohibit fundraising activities on state property. Because of the traditional use of school cafeterias fundraising events, your Committee has exempted schools. The term "school property" is intended to indicate that fundraisers may take place in such areas as cafeterias, courtyards, and parking lots. The intent is not to allow solicitation of political contributions in areas in the school such as offices and classrooms where official business occurs. Your Committee does not intend this measure to prohibit fundraising events in public meeting halls, conference centers, and like facilities that are available for rental to the public.

As to the State Capitol building, however, the Committee intends for all campaign contribution solicitation to be prohibited, in open courtyards as well as in private offices.

Section 1 of this bill as received is patterned after provisions in the civil service law designed to protect civil service employees from obligatory participation in political activities. Some of these provisions were modified or deleted because they contained antiquated language or because they related to matters beyond the scope of the title of this bill.

Your Committee has amended this measure by:

- (1) Clarifying that a public officer or employee must not invite another person to solicit political contributions in locations where government business is conducted;
- (2) Deleting material that pertained to state officers taking action to affect their subordinates, which is beyond the scope of this measure;
- (3) Deleting material about "handing over" things of value, to clarify the prohibition applies to solicitation of campaign contributions but not the receipt of unsolicited contributions;
- (4) Deleting references to "assessment" of contributions;
- (5) Including members of boards and commissions in the definition "public officer or employee";
- (6) Adding a definition of "political contribution"; and
- (7) Deleting proposed additions to section 11-22, Hawaii Revised Statutes, concerning penalties.

In response to the concern stated in your Committee on Legislative Management's Committee Report No. 298-01, your Committee considered whether this provision would be placed more properly in chapter 84, Hawaii Revised Statutes, Standards of Conduct, or in the Hawaii Penal Code, and concluded that placement in chapter 11 is appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2672, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2672, H.D. 2.

Signed by all members of the Committee except Representatives Case, Kanoho and Whalen.

#### **SCRep. 703 Judiciary & Hawaiian Affairs on H.B. No. 1451**

The purpose of this bill is to establish judicial and law enforcement procedures to address workplace violence.

Your Committee received testimony in support of this measure from the Prosecuting Attorney for the City and County of Honolulu, the Chamber of Commerce of Hawaii, the Society of Human Resource Management, Hawaii Chapter, the Hawaii Hotel Association, the Hawaii Visitor Industry Security Association, the Hawaii Hotel Security Association, the Embassy Vacation Resort and VIP Foodservice. Testimony in opposition to the measure was submitted by the Office of the Public Defender, Hawaii Carpenters Union and the ILWU Local 142. The Domestic Violence Clearinghouse and Legal Service Hotline supported the concept of this measure but expressed concerns.

Your Committee finds that judicial and law enforcement procedures to address workplace violence are concerns of employers who want to provide a safe workplace. Although this measure is a noble attempt to address these concerns, further discussion is needed to better develop its provisions.

Your Committee amended the bill by:

- (1) Inserting an effective date of February 30, 3025 to ensure further discussion; and
- (2) Making technical and nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1451, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1451, H.D. 2.

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

#### **SCRep. 704 Judiciary & Hawaiian Affairs on H.B. No. 57**

The purpose of the bill is to extend Act 305, Session Laws of Hawaii 1999, allowing privately-funded industrial hemp research to be conducted in the State when the Department of Public Safety issues a controlled substance registration and the United States Department of Justice, Drug Enforcement Administration, issues a federally-controlled substance registration for research on the agronomic potential of industrial hemp.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development, and Tourism, the University of Hawaii College of Tropical Agriculture and Human Resources, ILWU Local 142, the Resource Conservation Alliance, Life of the Land, the Maui Pineapple Company, Ltd., Atlas Corporation, Dr. Bronner's Magic Soap, Hawaii Industrial Hemp and a concerned individual.

Your Committee finds that a time extension for Act 305 will allow for further investigation into the potential of hemp as an alternative crop in Hawaii.

Your Committee has amended the bill to change the effective date of the bill to occur one day before the present sunset date of Act 305.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 57, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 57, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Kanoho, Souki, Gomes and Whalen.

#### **SCRep. 705 Economic Development & Business Concerns on H.C.R. No. 28**

The purpose of this concurrent resolution is to authorize the Governor to take all necessary actions to establish a sister-state affiliation with the Province of Pangasinan of the Republic of the Philippines.

A concerned citizen supported this measure. The Department of Business, Economic Development, and Tourism (DBEDT) offered comments.

Your Committee recognizes that DBEDT has expressed reservations regarding the establishment of a sister-state relationship with Pangasinan. Before entering into a sister-state relationship, DBEDT believes that there should be demonstrated mutuality of economic, trade, and investment benefits for both parties involved. In addition, DBEDT believes that there should be a strong commitment from the private sector to support and sustain the sister-state relationship once it is established. Without such evidence, DBEDT has indicated that a sister-state relationship with Pangasinan would be premature.

In light of these concerns, your Committee supports future efforts to expand and promote educational, business, and cultural ties between the people of Hawaii and Pangasinan. Your Committee also supports initiatives to study the potential benefits that might be derived from establishing a sister-state relationship with Pangasinan.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 28 and recommends its adoption.

Signed by all members of the Committee except Representatives Takumi, Davis and Ontai.

#### **SCRep. 706 Public Safety & Military Affairs on S.B. No. 2246**

The purpose of this bill is to authorize the issuance of general obligation bonds to be appropriated as a grant-in-aid to Hawaii Island Veterans Memorial, Inc., to plan, build, and operate a combined veterans center and veterans home in the County of Hawaii.

Your Committee received testimony in support of this measure from the Office of Veterans Services and a large number of concerned veterans and individuals.

Your Committee finds that the proposed veterans center would help to provide veterans in Hawaii County more efficient and better access to the benefits they have earned.

However, your Committee notes that there are three areas of concern that may be addressed by your Committee on Finance, as new information becomes available. First, there is a grant-in-aid request on the same subject that has been submitted and that may be a more appropriate vehicle to advance this issue. Second, it may be more fiscally prudent to fund only the first phase of the project at this time. Third, the status of the land transfer of this project is currently uncertain at this time; therefore, this measure may require further amendments on this particular issue.

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

- (1) Deleting the funding for land acquisition as the transfer of state land to the County of Hawaii for this project is already in process; and
- (2) Designating the County of Hawaii as the expending agency for the appropriation.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2246, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Espero, Saiki and Souki.

#### **SCRep. 707 Education on S.B. No. 2662**

The purpose of this bill is to allow a nonprofit organization to operate a New Century Conversion Charter School (Charter School).

Specifically, this bill:

- (1) Requires the nonprofit organization to make a minimum annual contribution of \$1 per pupil toward the operation of a Charter School for every \$4 per pupil allocated by the Department of Education for the operation of the Charter School;



- (2) Requires the detailed implementation plan for a Charter School to be approved by a majority of the votes cast by existing administrative, support, and teaching personnel, and parents, rather than 60 per cent of the existing administrative, support, and teaching personnel, and parents;
- (3) Gives the board of directors of the nonprofit organization, as the governing body for the Charter School that it operates and manages, the same protections that are afforded to the Board of Education;
- (4) Allows a nonprofit organization to allocate federal and state funds among two or more of the Charter Schools that it operates and manages to the extent permitted by law;
- (5) Gives the State of Hawaii first right, except as provided in the detailed implementation plan, to all the assets and facilities of a Charter School if the Charter School dissolves or is denied continuation;
- (6) Requires a nonprofit organization that seeks to manage or operate a Charter School to have experience in the management and operation of public or private schools, or, to the extent necessary, agree to obtain appropriate services from another entity or entities possessing this experience; and
- (7) Limits the number of Charter Schools to 25.

The Office of Hawaiian Affairs, two members of the Maui County Council, Kamehameha Schools, Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Hawaii Association of Independent Schools, and Hawaii Association of Realtors submitted testimony in support of this bill. The Hawaii Government Employees Association and Hawaii State Teachers Association submitted testimony in opposition to this bill. The Department of Education submitted comments on this bill.

Your Committee finds that allowing nonprofit organizations to operate Charter Schools will expand the scope of Hawaii's public education system. Additionally, because this bill requires a nonprofit organization to make a monetary contribution to the Charter School it operates, these Charter Schools will receive more funding at no extra cost to the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2662, S.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Takai, Hale, Kahikina, Bukoski, Halford and McDermott.

#### **SCRep. 708 Public Safety & Military Affairs on H.R. No. 18**

The purpose of this resolution is to request the Congress and President of the United States to support legislation to repeal the Rescission Act of 1946 and the Second Supplemental Surplus Appropriation Rescission Act (1946), and to restore Filipino World War II veterans' to full United States veterans' status and benefits.

Your Committee received testimony in support of this measure from the WW II Fil-Am Veterans, Hawaii Chapter, Philippine Scouts Composite Veterans, and several concerned veterans and individuals. Testimony in support of the intent of this measure was received from the Office of Veterans Services.

Your Committee finds that as the veterans of World War II grow older, time is running out to take the proper action to provide the benefits that were promised by the United States and earned by those Filipino troops who fought as members of the United States Armed Forces in the Far East under General Douglas MacArthur.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 18 and recommends its adoption.

Signed by all members of the Committee except Representatives Espero, Saiki and Souki.

#### **SCRep. 709 Public Safety & Military Affairs on H.C.R. No. 34**

The purpose of this concurrent resolution is to request the Congress and President of the United States to support legislation to repeal the Rescission Act of 1946 and the Second Supplemental Surplus Appropriation Rescission Act (1946), and to restore Filipino World War II veterans' to full United States veterans' status and benefits.

Your Committee received testimony in support of this measure from the WW II Fil-Am Veterans, Hawaii Chapter, Philippine Scouts Composite Veterans, and several concerned veterans and individuals. Testimony in support of the intent of this measure was received from the Office of Veterans Services.

Your Committee finds that as the veterans of World War II grow older, time is running out to take the proper action to provide the benefits that were promised by the United States and earned by those Filipino troops who fought as members of the United States Armed Forces in the Far East under General Douglas MacArthur.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34 and recommends its adoption.

Signed by all members of the Committee except Representatives Espero, Saiki and Souki.

**SCRep. 710 Energy & Environment Protection on S.B. No. 2177**

The purpose of this bill is to:

- (1) Appropriate general funds to conduct research and tests on material dredged from the Ala Wai canal and other waterways statewide; and
- (2) Authorize the issuance of general obligation bonds and appropriate funds for the design and construction of a pilot bioremediation facility.

The University of Hawaii, Pacific Action Alliance, Na Hoaloha o ka Loi Kalo, Ka Lahui Hawaii, Hawaii Water Environment Association, and several individuals submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism and an individual submitted testimony in support of the intent of this bill. The Department of Land and Natural Resources submitted testimony in opposition to this bill.

Your Committee finds that this bill will fund critical research and the construction of a bioremediation facility to ensure that Hawaii's waterways are cleaner and safer. The Ala Wai canal and other waterways in Hawaii become the depository for many of the harmful and toxic substances that are used throughout the State. The buildup of these various urban and agricultural byproducts represents a clear hazard to residents and visitors, and this bill takes important steps to alleviate the problems with our waterways.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2177, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, B. Oshiro and Thielen.

**SCRep. 711 Energy & Environment Protection on S.B. No. 2909**

The purpose of this bill is to reduce the solid and liquid waste stream flowing into the limited landfill capacity by establishing county requirements for separate collection and recycling of food waste by specified restaurants, food courts, hotels, markets, food manufacturers or processors, catering establishments, hospitals, schools, and businesses.

The Department of Health, Pacific Forums, and Eco-Feed, Inc., supported this measure. The Hawaii Food Industry Association submitted comments on this bill.

Solid waste diversion efforts have fallen deplorably short of the goals set ten years ago and defy the State's policy to promote reuse and recycling to reduce solid and liquid wastes and employ a conservation ethic. Your Committee believes that the importance of this measure increases as counties near the capacity of their landfills.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2909, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 712 Energy & Environment Protection on S.B. No. 2713**

The purpose of this measure is to promote the revitalization of contaminated urban areas by establishing a revolving fund to provide low interest loans for the cleanup of brownfields properties in Hawaii.

The Office of Planning of the Department of Business, Economic Development, and Tourism (DBEDT), Department of Health, and the Chamber of Commerce of Hawaii supported this measure.

It is anticipated that DBEDT will receive up to \$3,000,000 in seed money to capitalize the Brownfields Cleanup Revolving Loan Fund from the U.S. Environmental Protection Agency. Your Committee finds that this opportunity will facilitate much-needed economic growth and improve the quality of life in Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2713, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, B. Oshiro and Thielen.

**SCRep. 713 Energy & Environment Protection on S.B. No. 2669**

The purpose of this measure is to support the development of alternative means of energy generation by authorizing the issuance of up to \$55,000,000 in special purpose revenue bonds to assist Pacific Wind Energy LLC in the construction of three wind energy conversion systems on Maui and Hawaii.

Pacific Action Alliance supported this measure.

Your Committee finds that Hawaii must lead the way in the development of wind energy systems and other alternative means of energy generation to replace energy systems that presently contribute large amounts of toxic waste into Hawaii's environment.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2669, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, B. Oshiro and Thielen.

#### **SCRep. 714 Energy & Environment Protection on S.B. No. 2774**

The purpose of this bill is to protect and improve the quality of state waters by:

- (1) Broadening the class of recipients eligible for assistance in financing nonpoint source (NPS) pollution and other eligible water pollution control projects, to include private entities or landowners; and
- (2) Establishing the Wastewater Systems Special Fund (Special Fund).

The Department of Health supported this bill.

According to the Environmental Protection Agency, more than fifty percent of the pollution in the State's water environment is caused by NPS. Since the vast majority of NPS pollution occurs on private property, allowing private persons to qualify for available assistance to prevent and control pollution will substantially increase the quality of water in Hawaii.

Your Committee has amended this measure by:

- (1) Excluding from the fees to be deposited into the Special Fund, any fees for the National Pollutant Discharge Elimination System, water quality certification, or loan programs; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2774, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2774, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, B. Oshiro and Thielen.

#### **SCRep. 715 Health and Human Services and Housing on S.B. No. 2769**

The purpose of this bill is to facilitate the residential and community-based treatment of mentally ill adults by allowing transitional residential and semi-supervised independent living facilities to be accredited rather than licensed.

The Department of Health testified in support of this measure.

Your Committees find that current licensing requirements unnecessarily restrict community-based housing options for mentally ill adults residing in less restrictive settings. This measure will allow recovering mentally ill adults in these settings to fully resume their self-care rehabilitation and recovery in their transition to independent living.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2769, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

#### **SCRep. 716 Health and Human Services and Housing on S.B. No. 3047**

The purpose of this bill is to appropriate an unspecified amount for the operation of the Waipahu Community Adult Day Health Center and Youth Day Care Center pilot project.

The Department of Human Services, Health for All, and a concerned citizen supported this measure. The Department of Health supported the intent of this bill.

Your Committees have amended this measure by:

- (1) Changing the appropriation amount to \$1 for the purpose of furthering discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3047, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3047, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

#### **SCRep. 717 Health and Human Services and Housing on S.B. No. 2150**

The purpose of this bill is to require the Department of Human Services (DHS) to review every report of suspected child abuse or neglect submitted to DHS to determine whether the case should be referred to a physician for a medical opinion on whether child abuse or neglect has occurred.

The Honolulu Police Department (HPD) testified in support of this measure.

DHS opposed this measure.

Your Committees find that HPD sometimes encounters situations where doctors from different medical facilities have conflicting opinions in suspected child abuse cases. Your Committees believe that there should be a group of qualified child abuse pediatricians conducting these assessments.

Your Committees have amended this measure by:

- (1) Replacing its contents with those of H.B. No. 1869, H.D. 1, which your Committee heard earlier and which DHS prefers; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As amended, this bill:

- (1) Requires medical consultation services in child abuse or neglect cases;
- (2) Requires that DHS determine whether a face-to-face medical examination by a child abuse pediatrician is necessary for cases transmitted to Child Protective Services (CPS); and
- (3) Appropriates funds for a qualified medical facility to provide direct medical consultation to CPS for reported child abuse or neglect cases.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2150, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2150, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

#### **SCRep. 718 Health and Human Services and Housing on S.B. No. 2075**

The purpose of this bill is to expand the public health settings in which licensed dental hygienists are allowed to provide services.

The Board of Dental Examiners, Office of Hawaiian Affairs, Hawaii Primary Care Association, Hawaii Medical Association, Hawaii Dental Hygienists' Association, Early Head Start, Family Support Services of West Hawaii, Healthy Start, and several concerned citizens testified in support of this measure.

Many concerned citizens testified in opposition to this measure.

Your Committees find that licensed dental hygienists currently work in a variety of settings under the general or direct supervision of a licensed dentist. This bill would expand the settings in which hygienists could provide services and assist in improving Hawaii's general oral health by reaching a larger percentage of the population.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2075, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

#### **SCRep. 719 Health on S.B. No. 2782**

The purpose of this bill is to expedite the annual state licensing of hospitals by the Department of Health (DOH) by giving DOH statutory authority to conduct licensing activities and inspections.

DOH and the Healthcare Association of Hawaii testified in support of the bill. The Office of Information Practices submitted comments on the measure.

Your Committee has amended the bill by making it consistent with the Uniform Information Practices Act (UIPA) by providing that:

- (1) Information contained in reports of survey and official accreditation letters made by the Joint Commission on Accreditation of Healthcare Organizations used in determining compliance with licensing requirements shall be public information; and
- (2) All other records maintained by DOH shall be governed by the UIPA.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2782, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

**SCRep. 720 Health on S.B. No. 3053**

The purpose of this bill is to statutorily establish the Public Health Nursing Branch Program (Program) to recognize the roles and functions of the Program in the delivery of direct clinical nursing services to the people of Hawaii.

The Hawaii Government Employees Association, Hawaii Nurses' Association, and several concerned citizens supported this bill.

The Department of Health submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2023, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3053, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3053, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

**SCRep. 721 Health on S.B. No. 2765**

The purpose of this bill is to provide for a more efficient and streamlined process for registering divorces and annulments occurring in Hawaii.

The Department of Health (DOH) testified in support of the bill. The Office of the Lieutenant Governor supported the intent of the measure.

Your Committee finds that this bill would streamline the existing process for registering divorces and annulments by eliminating the need for a paper certificate to be filed with the court before transmittal to DOH. Instead, direct transmittal of information would be allowed via the Internet.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2765, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

**SCRep. 722 Health on S.B. No. 2779**

The purpose of this bill is to allow the Department of Health (DOH) the flexibility to carry out essential public health functions.

Specifically, this bill:

- (1) Allows DOH to enter into agreements with health care facilities and providers, who assist with epidemic control activities, to ensure that they are compensated for their services, facilities, and materials;
- (2) Provides the State, political subdivision, health care facilities, healthcare providers, volunteers, and other persons engaged in disease prevention and control functions to be immune from liability for the death or injury to persons, or damage to property, as a result of any act or omission in the course of their employment or duties, except in cases of willful misconduct;

- (3) Requires individuals and entities to provide information needed to locate people suspected of having been exposed to a dangerous disease;
- (4) Establishes protections for the rights of individuals who are quarantined to prevent the transmission of dangerous infectious diseases; and
- (5) Grants DOH the authority to sequester contaminated articles.

DOH and the Healthcare Association of Hawaii testified in support of this measure. The Consumer Lawyers of Hawaii commented on this bill.

Your Committee finds that current law grants DOH all the powers needed to deal with a health emergency once this emergency has been declared a disaster by the Governor. However, existing gaps in the law hinder DOH's authority to deal with serious and potentially catastrophic situations before they reach the disastrous stage. This bill provides DOH with the authority needed to respond more effectively to these situations prior to the need for declaration of an emergency.

However, your Committee finds that this measure provides health care providers and facilities, as well as volunteers, with blanket immunity for the death or injury to a person, or damage to property as a result of any act or omission in the course of their employment or performance of their duties. This language could be interpreted to give immunity to persons providing epidemic control or treatment services to affected individuals even in instances in which improper treatment or negligence may have occurred.

To avoid this misconception, your Committee has amended this measure by:

- (1) Clarifying that health care providers will only be able to receive immunity for those health care services provided in response to emergency health threats; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2779, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2779, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

#### **SCRep. 723 Health on S.B. No. 2760**

The purpose of this bill is to:

- (1) Increase the fee for marriage licenses from \$50 to \$60;
- (2) Remit \$10 for each license issued to the credit of the Hawaii Birth Defects Special Fund, if it is established;
- (3) Require officiants to renew their licenses every five years;
- (4) Eliminate the requirement that the application for a marriage license be submitted in writing, to allow the Department of Health (DOH) to pursue other means of application such as online; and
- (5) Require marriage officiants to apply for a license through DOH and submit a fee and allow DOH to publicly list the officiants.

DOH, the Hawaii Birth Defects Program Advisory Committee, March of Dimes Hawaii Chapter, and several individuals testified in support of this measure. The Office of the Lieutenant Governor supported the intent of this measure.

The City Church of Honolulu opposed this measure. Several concerned individuals submitted comments.

Your Committee finds that the cost of a marriage license in Hawaii is very reasonable and comparable with that of other states. Tens of thousands of couples come to Hawaii from other parts of the world to get married, spending thousands of dollars on wedding and other expenses.

Your Committee held a healthy discussion during the hearing with DOH and several wedding solemnizers who agreed that every attempt should be made to streamline the marriage process, particularly for those who come from out-of-state. Your Committee would like to emphasize several points that came from that discussion that requested DOH to:

- (1) Find methods to expedite the licensing procedure, such as accepting electronic filing in advance of the couple's arrival to Hawaii;
- (2) Explore the possibility of opening branches of licensing, such as Waikiki, where many visiting couples stay, and to explore the possibility of a partnership with HVB in operating a marriage licensing branch; and
- (3) In providing the list of licensed solemnizers, consider listing the credentials of the officiant to preserve the integrity of the profession and allow couples to make a more educated choice.

Your Committee has amended this bill by:

- (1) Increasing the licensing fee to \$65 to allow \$5 to be credited to the Vital Statistics Improvement Special Fund;
- (2) Requiring officiants to renew their licenses every two years;
- (3) Removing the fee for the license to perform marriage ceremonies;
- (4) Allowing DOH to retain the authority to allow marriage licensing agents to issue licenses from any state facility; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2760, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2760, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

#### **SCRep. 724 Health on S.B. No. 2721**

The purpose of this bill is to:

- (1) Extend for another year the authority of the Insurance Division to regulate dental insurance plans of dental service corporations and dental service organizations; and
- (2) Provide that actions taken under Act 132, Session Laws of Hawaii 2001 (Act 132), shall continue as though Act 132 is in force until the conclusion of the complaint.

The Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Dental Service, and Hawaii Medical Service Association testified in support of this bill.

Act 132 was enacted by the Legislature to protect Hawaii citizens by making all dental insurance plans offered by dental service corporations and dental service organizations subject to regulation by the Insurance Division. As enacted, Act 132 will be repealed on July 1, 2002.

Soon after Act 132 took effect on May 22, 2001, the Insurance Division initiated an investigation based on complaints it received about the Hawaii Dental Health Plan (HDHP). HDHP was not able to pay its claims, did not respond adequately to unpaid claims complaints, and did not cooperate with a state examination of its financial health. HDHP is now in liquidation, and the Insurance Commissioner is serving as liquidator by court order.

Your Committee finds that this bill will enable the Insurance Division to bring closure to, and continue to pursue claims of providers and creditors in, the pending liquidation action.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2721, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and McDermott.

#### **SCRep. 725 Finance on H.B. No. 1800**

The purpose of this bill is to amend the General Appropriations Act of 2001 (Act 259, Session Laws of Hawaii 2001), which appropriated funds for the operating and capital improvement costs of the Executive branch for the fiscal biennium July 1, 2001, through June 30, 2003 (FB 2001-2003).

In deliberating on this bill and other bills that affect state finances, your Committee faced a number of major policy issues that limited its ability to fund the priority items of the House of Representatives. Although economic indicators suggest that the economy is growing and revenues are increasing, nevertheless your Committee took a prudent approach in developing this supplemental budget.

#### **ECONOMIC BACKDROP: THE CHANGING CONDITIONS OF 2001**

When the FB 2001-2003 budget was prepared, government resources had increased slightly, and general revenues from tax collections for the first eight months of fiscal year (FY) 2000-2001 had grown at a rate of 7.8 percent, exceeding the Council of Revenues' (COR) projection of a 6 percent increase. The Federal Reserve had lowered interest rates several times, spurring growth in mortgage lending, mortgage refinancing, and construction activities. All indications pointed to the strength of Hawaii's economic recovery.

Last year, the chief economist for the Bank of Hawaii stated before your Committee that "Hawaii's aggregate income – personal income or gross state product – achieved a real, or inflation adjusted growth rate in the neighborhood of 3 percent during 2000. This is the highest growth rate since economic momentum began building in 1997."

Mixed with this optimism was the reality of dealing with the increasing drain on the State's resources. The State was obligated to fund substantial fixed costs including health fund premiums for State employees, debt service payments, pension accumulation payments to the Employees' Retirement System (ERS), Social Security and Medicare insurance payments, and costs associated with

the Felix Consent Decree. Additionally, fixed costs increased even more as bargaining agreements were reached with the Hawaii State Teachers Association, University of Hawaii Professional Assembly, Hawaii Government Employees Association, and the United Public Workers.

The terrorist attacks of September 11th, stalled the momentum of Hawaii's economy. The unprecedented grounding of all air travel in the United States following the attacks dealt a direct blow to Hawaii's tourist industry. The state unemployment office was flooded with new claims as 7,000 jobs were lost, and organizations providing services to the hungry and homeless were suddenly overwhelmed by requests for assistance.

The Legislature immediately responded in an emergency Special Session by passing measures to address the most immediate and pressing needs of Hawaii's citizens. Emergency food and housing assistance, extended unemployment benefits, and temporary health insurance were provided to assist individuals and families. Tax relief and waivers of assessments were provided to businesses suffering from the effects of September 11th. In addition, funds were appropriated to stimulate economic growth by increasing government capital improvements program (CIP) project spending and promoting Hawaii as a visitor destination.

As a result of September 11th, on November 14th the COR reduced its September 5th estimate of general fund revenues from 4.1 percent growth for FY 2001-2002, to a 0.7 percent decline in the same period, a reduction of almost 5 percent. This revision resulted in an approximate \$315 million drop in projected revenues for the current biennium. In addition, the COR projected an average annual growth rate for fiscal years 2003-2008 of 5 percent. On March 14th the COR reaffirmed its November projection and held to the strong out-year growth estimates.

### **BUDGET DEVELOPMENT STRATEGIES FOR 2002**

#### **WORKING TOGETHER**

The immediate and dramatic shock to the economy arguably resulted in the worst budget shortfall to face the State. Your Committee responded with openness and inclusion in finding solutions to our predicament. Ideas and input were solicited and welcomed from all sectors, including House majority and minority members, the Senate, the Administration, social service agencies, concerned individuals, and many other segments of the community.

To this end, your Committee held joint hearings with the Senate Committee on Ways and Means at various locations across the State. Public informational briefings were also held that focused on strategies to balance the budget, including across-the-board cuts for all state departments, eliminating vacant government positions through attrition, deferring the State's pension contributions to the ERS, and authorizing the issuance of general obligation (G.O.) bonds for CIP projects to stimulate the economy.

#### **BUDGET STRATEGIES CONSIDERED**

Your Committee has dedicated considerable effort to find ways to free up resources to provide funds for high priority items while reducing the overall budget. Toward this end, your Committee seriously entertained the policy of attrition. This policy is based on the idea that vacant positions and funding can be eliminated, and the workload can be redistributed to the remaining employees. The assertion that large budget reductions can be realized through this policy is based on three assumptions: first, that positions are non-essential, and that the workload of newly vacant positions can be redistributed among remaining employees; second, that payroll costs for all authorized positions are provided for in the budget, and third, that fringe benefits are budgeted for all positions regardless if they are vacant or filled. Based on the testimony presented at the two hearings on this subject, your Committee concludes that attrition is an ill-conceived policy that leaves implementation to chance.

The assumption that responsibilities can be redistributed among employees is unrealistic. It is simply not prudent public policy to blindly or naively assume that positions that become vacant are not essential and can, therefore, be eliminated. Many services provided by the State require 24-hour support, such as public safety, or require specialized skills, such as all health services, education, engineering, and law enforcement. Furthermore, it should be noted that despite perceptions to the contrary, the Executive workforce has clearly been reduced in recent years. In 1994, there were 45,604 civil service and exempt full-time equivalent positions. By 2001, the workforce had dropped to 43,327. This reduction of 2,277 positions is particularly significant in light of the State's growing population, expansion of numerous programs in response to federal mandates, and few public services being eliminated during this period. In addition, the net reduction of 2,277 positions was accomplished while the Department of Education's (DOE) workforce increased by 3,106. Clearly, the measured use of redistributing responsibilities has been utilized.

The assumption that large budget cuts can be made by eliminating vacant positions is flawed. The State already budgets its payroll under the assumption that all positions will not be filled all the time, and addresses this through the budget. Payroll for all general funded positions is currently underbudgeted by \$49 million to account for vacancies that inevitably occur throughout the course of the fiscal year. Over the years, the level of underfunding has increased with vacancy or turnover "savings" imposed by the Legislature. This budget imposes another \$6.2 million for "vacancy savings", which will force agencies to further delay the filling of positions in FY 2002-2003.

Your Committee's review of the general funded vacancies indicates that a large percentage is tied to core programs in the Departments of Education, Health, Human Services, Public Safety, and the University of Hawaii (UH). Furthermore, many of these positions are not being filled in order to meet turnover savings assessments, as well as unbudgeted accrued vacation payouts, unbudgeted payroll for workers' compensation claimants, and filling of essential positions with emergency hires until qualified applicants can be found.

Your Committee found it to be an erroneous assumption that the fringe benefits budget could be reduced with the implementation of an attrition policy. Because the costs associated with the public employees' health fund are based on actual enrollments rather than the total number of authorized positions, eliminating vacant positions will not translate into reductions in the budget. Furthermore, the State's obligations for the ERS are based on actuarially established projections, which take into account all existing retirees and current employees and not vacant positions. Therefore, eliminating existing vacant positions will also not translate into fringe benefit savings.



## BUDGET PRIORITIES

### PROTECTING THOSE IN NEED

In the aftermath of the attacks of September 11th, the ripple effect through our economy brought tremendous financial hardships to local families, and triggered a marked increase in the need for both public and private social services on every island. Homelessness and unemployment rose sharply as thousands of workers were displaced and an even greater number experienced reduced working hours.

The challenge of continuing to provide essential government services with a \$315 million shortfall is immediate. Throughout its deliberations, your Committee's priority has been to develop a balanced budget that protects the most vulnerable and fragile of our population from the devastation of hunger, homelessness, and hardship.

Accordingly, your Committee will continue the work this body began during the Third Special Session of 2001 by providing the means to fund the most basic and essential health and human services to those most in need of such services. It is also the intent of your Committee to keep intact as many programs as possible that benefit and enrich the educational experience for our elementary, secondary, and high school students. At the same time, your Committee is committed to ensuring that short-term, adverse economic circumstances do not impair the long-term vision of the University of Hawaii and the community colleges.

### FIXED COSTS INCREASES

In addition to the constitutional requirement to maintain a balanced budget, your Committee is restricted by numerous cost items that must be funded regardless of the State's economic situation. These are items that the State is either mandated to pay or must be funded due to their critical importance.

A fixed cost item that must always be paid before any other in the budget is the debt service owed to those who have purchased G.O. bonds. Debt service funding requirements for FY 2002-2003 are \$433.6 million, representing a \$16.5 million increase from FY 2001-2002. The ERS funding requirement for FY 2002-2003 is \$295.9 million, representing a \$45.7 million increase from FY 2001-2002. The public employees' health fund requirements for FY 2002-2003 are \$279.8 million, representing an increase of \$19.7 million. The State is obligated to pay for these benefits for its employees every year, and they also must be accounted for before other state expenditures.

Other critical items that cannot be left out of this year's budget are those required by federal courts including: adult mental health services and adolescent mental health at \$182 million, representing a \$5.3 million increase from FY 2001-2002; special education at \$228 million, representing a \$6.9 million increase from FY 2001-2002; and Healthy Start at \$27.3 million, representing a \$3.5 million increase from FY 2001-2002. Other general fund increases for core services include an operating subsidy of \$15 million for the Hawaii Health Systems Corporation, representing a \$13 million increase from FY 2001-2002; and child placement board and related payments for adoption and foster care at \$26.3 million, representing a \$2.7 million increase from FY 2001-2002.

These required expenditures total \$1.488 billion, representing a \$113.3 million increase from FY 2001-2002, which constitute a serious budgetary obligation that must be taken into account.

## BUDGET DETAILS

In meeting the constitutional requirement for a balanced budget, your Committee has reduced the \$3.63 billion Executive general fund budget by \$144 million for FY 2002-2003. The reductions are widespread, and impact even core services such as education, health, and public safety.

After careful deliberation, your Committee finds that in order to maintain essential services while acting within our budgetary constraints, we must not only look toward reducing expenditures, but also toward expanding our resources. By identifying innovative ways to reduce the deficit, the State will be able to lessen the budget cuts and mitigate the effects of the current revenue shortfall. In turn, this will preserve essential core programs whose elimination will only result in more severe monetary and human costs in the long run.

A key measure in providing additional resources for essential services follows the Governor's proposal to transfer funds from the Hawaii Hurricane Relief Fund (HHRF) to the general fund. H.B. No. 2654, H.D. 2, will allow for continued funding of numerous programs and services that would otherwise face certain elimination.

H.B. No. 2654, H.D. 2, restores \$34.5 million to the DOE's budget, including funding for:

- Vocational Training programs (\$3 million);
- Hawaii Content and Performance Standards (\$1.1 million);
- Preventive Educational programs (\$1.4 million); and
- The K-2 student-teacher ratio at 20 to 1 (\$9.4 million).

In addition, vital programs relating to health promotion were provided for through the transfer of hurricane relief trust funds, including:

- STD/AIDS Prevention Services (\$5.3 million); and,
- Substance Abuse programs (\$2.2 million).

The public safety of Hawaii's citizens will also be preserved with the restoration of \$10 million for the leasing of 535 prison beds in mainland and federal facilities. Other items that are deleted from this budget but are restored using HHRF funds include \$2.5 million to subsidize rural health centers in the most underserved areas of Hawaii, such as Hana, Molokai, Waianae, and Kahuku, and \$454,000 for the County Prosecutors' Victim Assistance programs.

Despite initiatives used to identify additional resources for essential services, reductions in the budget were necessary. Even with the successful passage and enactment of H.B. No. 2654, H.D. 2, a net general fund reduction of \$66 million is necessary to balance the budget. Some of the reductions that are incorporated in the budget and not restored using HHRF funds include:

- \$6.2 million in job vacancies;
- \$5.1 million for Department of Health's (DOH) Developmentally Disabilities Program;
- \$4.2 million in health fund premium costs;
- \$3.6 million for DOE's Computer Education Program;
- \$1.7 million for DHS's Aged, Blind, and Disabled Program;
- \$1.5 million for various exempt positions;
- \$1.3 million for the Oahu Community Correctional Center's J-Block expansion;
- \$1 million for the Hawaii Health Systems Corporation;
- \$1 million for the General Assistance program for the Department of Human Services (DHS);
- \$908,076 for the Natural Energy Laboratory of Hawaii's operating subsidy;
- \$657,000 for leasing (20) Federal Detention Facility prison beds;
- \$271,660 for the State Health Planning and Development Agency;
- \$199,500 for various purchase of service contracts for the Office of Community Services;
- \$50,000 for extended hour ambulance service for Kula, Maui;
- \$46,369 for the County Prosecutors' Career Criminal and Victim Assistance Programs;
- \$44,486 for overtime for the Office of Elections; and,
- \$35,000 for the State Fire Council.

In addition, \$28 million in new requests for general funds were denied including:

- \$1.9 million for (100) out-of-state prison beds;
- \$1.7 million for the Kapolei Public Library;
- \$1.2 million for DHS's adoption and foster homes program;
- \$1 million for UH's computer science academic initiative;
- \$1 million for the DOH's Family Guidance Centers;
- \$403,000 for lifeguard service for Kaena Point and Hapuna State Park;
- \$395,586 for additional security at the State Capitol and Downtown Civic Center;
- \$250,000 for invasive species rapid response capability;
- \$169,240 for Office of Elections voter education and election worker stipend increase; and,
- \$58,744 for maintenance of the No. 1 Capitol District Building;

Many of these reductions may negatively impact services and programs currently provided by state agencies. However, to address the current fiscal realities in a prudent and judicious manner, these cuts are unavoidable.

#### **MAINTAINING HIGH PRIORITY PROGRAMS**

Throughout this process, your Committee has been driven by the belief that a combination of alternative funding and responsible budget reductions will provide the necessary means to maintain essential services for the people of Hawaii through this temporary crisis and ensure them a future with a brighter economic outlook.

The supplemental budget also contains a limited number of new appropriations for high priority programs and services. Due to the lack of resources, funding for these were secured from a reassessment of priorities as well as from reviews that identified where efficiencies could be achieved. The appropriations below represent the most critical new budget items.

In response to the tragedy of September 11, an additional \$10 million in special funds was allocated to the Department of Transportation (DOT) for airport security. This appropriation will strengthen the security of our air transportation system.

Affirming our commitment to invest in education, this budget appropriates an additional \$8 million to the DOE for additional costs associated with the Felix Consent Decree. Acknowledging the potential of charter schools, an additional \$6.1 million is earmarked for 23 new charter schools.

To support higher education, an additional \$5 million is appropriated to UH, including funds for the following: Medical School restructuring (\$983,000); Hilo High Technology Center (\$400,000); and Office of Mauna Kea Management (\$1 million).

UH-Hilo received an additional \$297,000 for increased utility costs and \$500,000 for distance learning programs, which are particularly necessary for geographically isolated schools throughout Hawaii. Your Committee also recognized the valuable role that community colleges play in educating Hawaii's residents by offering open access to academic and vocational programs. Therefore, your Committee has provided an additional \$1 million for instructional expenses and \$773,000 for the maintenance of new facilities.

Your Committee strengthens public safety by providing \$3.2 million to the Department of Public Safety to lease 150 additional prison beds on the mainland. In addition, your Committee has provided \$215,000 for sex offender rehabilitation programs.

To assist some of Hawaii's less fortunate residents, the budget provides an additional \$2 million to the DHS for the State's adoption and foster home program, and \$3.5 million to the DOH for its adult mental health program. In recognition of the pressing need to

preserve and protect Hawaii's natural environment, the bill also allocates an additional \$250,000 to the Department of Land and Natural Resources for additional funding of invasive species control programs.

Provisions for other crucial programs include:

- \$15.8 million in additional federal-funding authorization for various programs, including those in Department of Transportation, Department of Human Services, Department of Health, and Department of Defense;
- \$7.4 million in additional trust fund authorization for capacity-building grants and project awards from the rental housing trust fund;
- \$5.8 million in additional special fund authorization for the University of Hawaii tuition and fees special fund; and,
- \$2.7 million in additional revolving-fund ceiling increases for risk-management costs.

Moreover, authorization for a substantial number of positions in core areas--education, higher education, public safety, and human services--is being added to the budget. The net increase is 1,461 positions (including the 78 positions funded through H.B. No. 2654, H.D. 2). The increase includes the addition of:

- 1,449 positions in DOE, the majority of which are related to the Felix Consent Decree;
- 32 positions for various programs at UH;
- 36 deputy sheriffs needed for new posts at Honolulu International Airport for enhanced security; and
- 11 positions for the DHS child welfare services program.

#### **CAPITAL IMPROVEMENTS PROGRAM**

The Administration proposed a plan authorizing an additional \$900 million in new construction spending for FY 2002–2003 in an attempt to stimulate the economy. Being mindful of the State's ability to manage its debt and the resiliency demonstrated by the local economy, your Committee chose instead to reduce that amount to \$340 million. Despite the reduced level of funding, this increase in construction spending will still have a very positive impact on the State's economy.

Of the additional \$340 million in spending, an emphasis has been placed on education. With prior years' budget reductions, repair and maintenance of our public schools has been regularly postponed, resulting in a backlog of these projects. An additional \$156 million was provided for public schools to address the growing repair and maintenance needs of Hawaii's aging public schools and to provide new classrooms across the State to alleviate overcrowding. Your Committee has also provided an additional \$44 million in G.O. bonds to the UH system for repairs and upgrades of its facilities statewide.

#### **PROSPECTS FOR ECONOMIC RECOVERY**

##### **POSITIVE SIGNS OF AN ECONOMIC TURNAROUND**

While balancing the budget this year has proven to be a difficult job, your Committee is optimistic about the Hawaii's future economic prospects. While the COR predicted a shortfall this year, it also forecasted revenue projections at an average increase of 5 percent each year over the next four years. There are positive signs that Hawaii's economy is recovering quickly and will continue to do so over the next few years. Domestic as well as international arrivals have shown strong improvement since the event of September 11th, returning to near pre-attack levels. Domestic arrivals for September 2001 were 28 percent lower than the previous year, while domestic arrivals to date for March 2002 are only 1.9 percent lower than the previous year. Total arrivals for September 2001 were 34 percent lower than the previous year, while total arrivals to date for March 2002 are only 4.4 percent less than the previous year. Increased bookings at the Hawaii Convention Center for 2003 and 2004, the influx in cruise ship visitors with the arrival of the Norwegian Star, and stable home-buying and construction figures are further positive signs that Hawaii's economy is in recovery.

The number of unemployment benefit claims has also fallen since the beginning of 2002, and are considerably less than what was originally forecast in analyses immediately following the attacks. The state unemployment rate is now down to 4.6 percent, from a high of 5.6 percent immediately after the attack, another sign of the rapid economic recovery.

Your Committee believes that these signs of our economic recovery are testaments to the Legislature's farsightedness in passing several measures in recent years, to set the stage for a broad-based economy. Tax reductions and government streamlining measures are the key to stimulating the economy while increasing the efficiency of State agencies.

##### **PREVIOUS TAX STRATEGIES**

While many other states are considering the suspension or repeal of tax reductions enacted during periods of rapid economic expansion in order to cover current budget shortfalls, your Committee has made a conscious decision to maintain these tax reductions. While the following previously implemented tax breaks negatively impact current tax revenues, they are also keys to the State's financial recovery.

These two measures will stimulate the economy by saving businesses \$22 million in FY 2001-2002; and \$21 million in FY 2002-2003:

- Act 353, SLH 1997, mitigated the pyramiding aspect of the 4.0 percent general excise tax (GET) paid on subleased real property by reducing this rate by 0.5 percent per year. By 2004, all subleases will be subject to a 0.5 percent GET rate.

- Act 71, SLH 1999, further assisted businesses by reducing the pyramiding effect of the 4.0 percent GET on all intermediary services over a seven-year period, again, by reducing the rate by 0.5 percent per year. By 2006, this rate will be 0.5 percent, similar to the GET rate on wholesale goods.

These tax credits were designed to reduce the negative impact to the construction industry by assuring that projects with potential cash flow problems as a result of the economic shock to Hawaii will be able to continue:

- Act 8, Third Special Session of 2001, adjusted tax filing thresholds for over 48,000 businesses, to allow them to pay taxes at a later date, which saved them over \$17 million in FY 2001-2002.
- Act 10, Third Special Session of 2001, established a residential construction and remodeling income tax credit of 4 percent and increased the hotel renovation income tax credit from 4 percent to 10 percent.

This tax measure directly helps all the people in Hawaii. This current year represents the final year of the income tax reduction – a reduction that will put an additional \$30 million back into the pockets of Hawaii's residents in FY 2001-2002; and an additional \$41 million in FY 2002-2003:

- Act 157, SLH 1998, provided the largest personal income tax cut in State history by lowering the rates and restructuring the tax brackets.

These tax breaks represent long term reductions in government revenues that will be accompanied by the need to limit expenditures and programs while improving services that are provided to the citizens of Hawaii.

H.B. No. 2840 prepares for the difficult task of resolving competing claims on government revenues, by providing a mechanism to classify core government functions and programs. The Core Government Functions Advisory Commission will provide a long term planning tool that will streamline services and allow a redistribution of valuable government resources.

### CONCLUSION

Given these steps toward recovery, your Committee finds that the economic crisis from the September terrorists attack appears to be temporary in nature. Nevertheless, we must remain prudent. It dictates an extension of the mindset established during the Third Special Session of 2001: We are all in this together and we must persevere to address the immediate and essential needs while protecting the long-term fiscal integrity of the State.

Your Committee believes it has developed such a budget. The passage of this budget represents a major step in our efforts to rebuild our community following the September 11th tragedy. There is still much work to be done, and your Committee stands ready to cooperate with the Senate to produce a fair and equitable supplemental budget.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1800, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Rath.  
(Representative Djou voted no.)

### SCRep. 726 Finance on H.B. No. 2300

The purpose of this bill is to amend the Judiciary Appropriations Act of 2001 (Act 1, Special Session Laws of Hawaii 2001), that provided necessary funds for the operation and capital improvement costs for the Judiciary for fiscal biennium July 1, 2001 through June 30, 2003.

In deliberating on this bill and other bills that affect state finances, your Committee was faced with a number of major policy issues that limited its ability to fund the priority items of the House of Representatives. Although economic indicators suggest that the economy is growing and revenues are increasing, nevertheless, your Committee, took a prudent course in developing this budget.

In the days following the September 11<sup>th</sup> terrorist attacks, Hawaii felt the direct effects of the economic catastrophe that inevitably followed. The suspension of air transportation and the subsequent drop in visitor arrivals effectively stalled the momentum of Hawaii's economy. Many people found themselves struggling to support their families. The state unemployment office was flooded with new claims. Providers of service for the hungry and homeless found themselves overwhelmed by requests for help. As Hawaii mourned with the rest of the nation for those lost in the attacks, we also experienced the pain and need in our own community as the damage rippled outward from the tourism industry to impact other sectors of our economy.

The Council on Revenues estimated the projected growth rate for this current fiscal year at -0.7 percent or a loss of \$315 million in the current biennium. This bleak forecast was echoed in presentations by Hawaii's noted economists at the start of the 2002 legislative session when the economists indicated that Hawaii's economy had temporarily stalled.

Recognizing that the fiscal integrity of the State is fundamental to a sound and responsible government, the impact of changing economic conditions and other financial developments was closely examined by your Committee in developing the Judiciary's Budget. As a consequence of the September 11<sup>th</sup> terrorist attacks, the slowdown of Hawaii's economy and the Council on Revenues predictions, prudence dictates that all state agencies take a fiscally conservative approach regarding future expenditures and program expansions.

With this in mind, your Committee has asked that reductions be taken in order to balance the State Budget. The Judiciary has taken a reduction in the following areas:

- (1) \$1,116,220 in general payroll;
- (2) \$276,582 in purchase of services (all areas); and
- (3) \$224,708 for per diem judges (the equivalent of 2 full-time judges).

In addition, your Committee has provided funding for existing services through H.B. No. 2654, H.D.2. Included in this bill are:

- (1) 59 positions and \$2,509,245 in funds for rural Oahu courthouses; and
- (2) \$2,315,914 further lump sum reduction in the Judiciary purchase of service;

Your Committee realizes that the above items provide essential services to the community including: rural community access to courts, sex offender treatment services, adult and juvenile drug treatment services, domestic violence services, and dispute resolution services. At the same time, your Committee has reduced the Judiciary's budget by taking ten percent of the Judiciary's vacancies totaling \$414,725 and 9.5 unfunded vacant positions. Your Committee believes that, although difficult, the reductions are justified and constitute a proper course to follow.

Your Committee realizes the importance of the Judiciary as the third branch of government and has thoroughly reviewed the Judiciary's \$2.6 million in supplemental requests. However given the current fiscal situation, your Committee was only able to grant \$38,592 toward the funding of the Judiciary's portion of risk management.

Although the current situation seems dire, it should be noted that there are positive signs that Hawaii and the nation's economy will recover quickly. While the Council on Revenues predicted a shortfall this year, it also forecasted future revenue projections at an average 5 percent increase each year over the next four years. Meanwhile, recent Department of Business, Economic Development, and Tourism figures for March even more concretely demonstrate the resiliency of our State's economy. Given these strident steps toward recovery, your Committee finds that the apparent temporary nature of the crisis dictates an extension of the mindset established during the Special Session of 2001: We are all in this together and we must persevere to do what it takes to address immediate and essential needs.

Your Committee recognizes that most of the Judiciary's supplemental requests are needed and justified and has taken these requests into consideration. However, your Committee is unable to approve any requests other than risk management at this time. Your Committee will continue to monitor revenues and consider funding requests during Conference as revenues allow.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2300, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2300, H.D. 2.

Signed by all members of the Committee except Representative Rath.

#### **SCRep. 727 Water & Land Use on S.B. No. 2008**

The purpose of this measure is to clarify the accreted lands law.

In particular, this measure defines accreted lands; includes accreted lands in the definition of public lands; and provides that no applicant other than the State shall register land accreted along the ocean, except that a private property owner may file an accretion claim to regain title to the owner's eroded land that has been restored by accretion.

The Ko'olaupoko Community Development Plan Coalition testified in support of this measure. Testifying in opposition to this measure was the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2008, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito, Morita and B. Oshiro.

#### **SCRep. 728 Water & Land Use on S.B. No. 2231**

The purpose of this measure is to require the State to warn persons entering Kaho'olawe of the dangers of unexploded ordnance.

In addition, this measure establishes a task force on warning signs and devices for Kaho'olawe, and makes conclusive presumption provisions effective upon the transfer of access control from the United States Navy to Hawaii.

The Consumer Lawyers of Hawaii testified in support of this measure. Testimony in support of this measure was received from the Office of Hawaiian Affairs and the Maui County Council.

Your Committee notes that the Consumer Lawyers of Hawaii and the Water Commission will continue their efforts to develop language similar to that in Act 190, Session Laws of Hawaii 1996.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2231, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito, Morita and B. Oshiro.

**SCRep. 729 Water & Land Use on S.B. No. 2804**

The purpose of this measure is to allow the Board of Land and Natural Resources to waive the requirement to obtain Board consent to subleases under public land leases.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2804, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita and B. Oshiro.

**SCRep. 730 Water & Land Use on S.B. No. 2805**

The purpose of this measure is to remove the requirement that all contributions, moneys, and funding received by any Soil and Water Conservation District be deposited into the general fund.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, and B. Oshiro.

**SCRep. 731 Water & Land Use on S.B. No. 2811**

The purpose of this measure is to increase the amount of funding for the Bureau of Conveyances to continue modernization efforts and ensure adequate staffing.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita and B. Oshiro.

**SCRep. 732 Water & Land Use on S.B. No. 2814**

The purpose of the measure is to clarify that section 171-13, Hawaii Revised Statutes, will be reinstated in its original form at the sunset of Act 15, Third Special Session Laws of Hawaii 2001.

Act 15 authorized the Governor to declare an economic emergency from September 11, 2001, to April 30, 2002; to suspend any statute, rule, or order and adopt rules to implement certain measures; and to suspend, waive, or defer any contract obligations under certain conditions.

The Department of land and Natural Resources testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2814, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita and B. Oshiro.

**SCRep. 733 Economic Development & Business Concerns on S.B. No. 2912**

The purpose of this bill is to appropriate an unspecified amount of funds to promote and market major aquaculture, algae, marine products, research in biotechnology, waste management, renewable resources, and potential energy production. Funds are also to be used to promote commercial fisheries and potential cleanup of extensive fishpond areas in East and West Hawaii.

The Hawaii Island Economic Development Board and a concerned citizen supported this bill. The Natural Energy Laboratory of Hawaii Authority supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2912, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 734 Education on S.B. No. 2206**

The purpose of this bill is to allow the Department of Education (DOE) to hire and retain its own attorneys other than the Attorney General.

The Hawaii Government Employees Association submitted testimony in support of this bill. DOE submitted testimony in support of the intent of this bill. The Attorney General submitted testimony in opposition to this bill.

Your Committee finds that when DOE or the Public Library System requires legal advice or assistance, they often cannot get services from the Attorney General in a timely manner. Allowing DOE to retain its own attorneys would greatly enhance its ability to manage its legal needs in an expeditious manner. However, your Committee notes that it would be more appropriate to allow the Board of Education (BOE) to hire attorneys, as it is the policy-making head of the State's educational system.

Accordingly, your Committee has amended this bill by deleting its substance and inserting the contents of H.B. No. 1969. As amended, this bill allows BOE to hire its own attorneys, other than the Attorney General.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2206, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2206, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Hale, Kahikina, Bukoski, Halford and McDermott.  
(Representative Ontai voted no.)

**SCRep. 735 Education on S.B. No. 3041**

The purpose of this bill is to repeal the Department of Education (DOE) Storeroom and the Storeroom Revolving Fund.

DOE and the Hawaii State Teachers Association submitted testimony in support of this bill.

Your Committee finds that the DOE Storeroom is no longer the most efficient method of distributing supplies to schools because of slow service and the difficulty of poor inventory control and excessive ordering of some items.

Your Committee has amended this bill by deleting its substance and inserting the contents of H.B. No. 2787, H.D.2.

As amended, this bill:

- (1) Repeals the DOE Storeroom; and
- (2) Specifies that the Superintendent of Education shall transfer any unexpended and unencumbered funds remaining in the DOE Storeroom Revolving Fund as of December 31, 2002, to the general fund.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3041, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3041, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Hale, Kahikina, Bukoski, Halford and McDermott.

**SCRep. 736 Education on S.B. No. 2283**

The purpose of this measure is to prepare children to succeed in school by establishing a statutory definition of "school readiness".

The Office of the Lieutenant Governor, Department of Education, Good Beginnings Alliance (GBA), Good Beginnings Oahu County Council, Kauai Good Beginnings Council, Kamehameha Schools, and a concerned citizen testified in support of this measure. The Department of Health supported the intent of this bill.

The GBA and other private and nonprofit agencies are committed to the goal that all of Hawaii's children be safe, healthy, and ready to succeed. Your Committee finds that incorporating the critical factors of a child's development characteristics, school practices, and family and community support in the definition of "school readiness" focuses the work necessary to ensure the attainment of this goal.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2283, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Takai, Hale, Kahikina, Bukoski, Halford and McDermott.

**SCRep. 737 Education on H.R. No. 33**

The purpose of this measure is to request the Department of Education (DOE) to work with the youth of the First Representative District and community agencies to develop community-based youth programs.

DOE, Family Intervention Services, Hawaii Youth Services Network, and numerous students submitted testimony in support of this measure.

Your Committee finds that community-based programs help students to use their time constructively when they are out of school rather than engaging in harmful or illegal activities. Your Committee notes that much of the island of Hawaii is physically isolated, and many students have difficulty getting to and from beneficial extracurricular activities. Coordinated efforts between DOE and community agencies will help to ensure that students in the First Representative District have better access to positive community-based activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 33 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Hale, Kahikina, Bukoski, Halford and McDermott.

**SCRep. 738 Education on H.C.R. No. 56**

The purpose of this measure is to request the Department of Education (DOE) to work with the youth of the First Representative District and community agencies to develop community-based youth programs.

DOE, Family Intervention Services, Hawaii Youth Services Network, and numerous students submitted testimony in support of this measure.

Your Committee finds that community-based programs help students to use their time constructively when they are out of school rather than engaging in harmful or illegal activities. Your Committee notes that much of the island of Hawaii is physically isolated, and many students have difficulty getting to and from beneficial extracurricular activities. Coordinated efforts between DOE and community agencies will help to ensure that students in the First Representative District have better access to positive community-based activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Hale, Kahikina, Bukoski, Halford and McDermott.

**SCRep. 739 Education on S.B. No. 2741**

The purpose of this bill is to help address Hawaii's teacher shortage by:

- (1) Establishing a scholarship program for students who are enrolled in a state-approved teacher education program and who agree to teach in the Hawaii public school system for at least four years upon graduating; and
- (2) Creating a check-off box on state income tax forms to allow public support of the program.

The Department of Education submitted testimony in support of this bill. The Hawaii State Teachers Association submitted testimony in support of the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this bill.

Your Committee finds that this bill will help attract and retain Hawaii public school teachers. In addition, allowing the public to contribute funds through the income tax check-off box will both involve the public in this worthy scholarship program and help defray some of its costs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2741, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Hale, Kahikina, Bukoski, Halford and McDermott.  
(Representatives Ontai and Stonebraker voted no.)

**SCRep. 740 Transportation on S.B. No. 2422**

The purpose of this bill is to increase the time period between mandatory safety inspections for most vehicles that require such an inspection.

The Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Hawaii Transportation Association, Roberts Hawaii, Catrala Hawaii, and the Hawaii Activities and Tour Association testified in support of this measure. The Department of Transportation (DOT) and the Department of Customer Services of the City and County of Honolulu submitted comments.



Your Committee finds that under federal and state motor vehicle safety regulations, detailed safety inspections of commercial vehicles are required annually. In Hawaii, safety inspections for heavy commercial vehicles are required on a semiannual basis. This frequency of motor vehicle safety inspections places an unnecessary burden on businesses that inspect their vehicles regularly in the course of business.

However, your Committee understands the concerns of DOT that more time may be needed to implement the two-year inspection program. Moreover, your Committee realizes that school buses and trolleys undergo the same rigorous and frequent safety inspections as other commercial vehicles and these vehicles should also be required to obtain a safety inspection once a year.

Accordingly, your Committee has amended this measure by:

- (1) Including school buses and trolleys as vehicles requiring safety inspections once every year; and
- (2) Changing the effective date to July 1, 2003

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2422, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2422, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Yoshinaga.

#### **SCRep. 741 Transportation on S.B. No. 2321**

The purpose of this bill is to require children from four to eight years of age, and under 80 pounds, to be restrained in a child safety seat or a booster seat while riding as a passenger in a motor vehicle.

The Department of Transportation, Department of Health, Maui Police Department, Honolulu Police Department, Keiki Injury Prevention Coalition, Blueprint for Change, State Farm Insurance Companies, and State Farm Mutual Automobile Insurance Company, testified in support of this measure. The Hawaii Association of Independent Schools supported the intent of this measure.

Your Committee finds that despite efforts by the automobile industry to protect infants and toddlers from injury while traveling in an automobile, preschoolers and young children between four and eight years of age still remain at high risk for injury. These children are often placed in standard adult-sized seat belts that are not designed for children and actually have the potential of causing serious injury or death.

Children who are at least four years of age but who are not yet eight years old, and who weigh less than eighty pounds should be secured in a child booster seat since these seats provide the security of an infant safety seat, but allow the child to ride comfortably while harnessed in the safety of a seat belt.

Your Committee understands the economic impact and hardship this may place on a family since compliant child safety seats cost between \$20 and \$30. Giving parents a \$25 tax credit for the purchase of a child booster seat would alleviate the economic concerns raised while continuing to promote child passenger safety.

Accordingly, your Committee has amended this measure by:

- (1) Providing a \$25 tax credit for each child passenger restraint system or child booster seat purchased; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2321, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.  
(Representatives Pendleton and Rath voted no.)

#### **SCRep. 742 Health and Human Services and Housing on S.B. No. 2234**

The purpose of this bill is to prohibit the commercial sexual exploitation of minors by:

- (1) Making the offense of sexual exploitation of a minor grounds for refusal to renew, reinstate, or restore or revocation, suspension, denial, or condition of professional and vocational licenses;
- (2) Making the offense of sexual exploitation of a minor grounds for forfeiture of property;
- (3) Making it a class C felony for failure to maintain age verification records of exotic or nude dancers; and
- (4) Establishing sexual exploitation of a minor as a class B felony.

The Honolulu Police Department, Na Keiki Law Center, Volunteer Legal Services Hawaii, Sisters Offering Support, Hawaii Family Forum, and several concerned individuals testified in support of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu, and the Hawaii Youth Services Network supported the intent of this measure.

The Libertarian Party of Hawaii testified in opposition of this measure. The Department of Commerce and Consumer Affairs (DCCA) and a concerned individual submitted comments.

Your Committees find that minors are often lured into prostitution through exotic dancing and illegitimate escort services, and current law does little to protect minors in these situations. This measure provides strict penalties for individuals promoting the sexual exploitation of minors.

Several testifiers commented that the terms "escort" and "escort services" need to be defined to make this measure enforceable. DCCA opposed the amendment that would make a conviction of sexual exploitation grounds for refusal to renew, reinstate, or restore and for revocation, suspension, denial, or condition of a professional and vocational license, as it conflicts with existing law. DCCA stated that decisions are made on a case-by-case basis and a procedure is in place to make such decisions.

Accordingly, your Committees have amended this bill by:

- (1) Removing the portion of the measure that would make a conviction of sexual exploitation of a minor grounds for refusal to renew, reinstate, or restore or grounds for revocation, suspension, denial or condition of a professional and vocational license;
- (2) Adding definitions of "escort" and "escort service"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2234, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2234, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Takai and Auwae.

#### **SCRep. 743 Human Services and Housing on S.B. No. 2708**

The purpose of this bill is to authorize the Housing and Community Development Corporation (HCDCH) to waive the three-year buyback requirement for the sale of affordable housing until December 31, 2004, when the ten-year buyback requirement is reinstated.

HCDCH testified in support of this measure.

Your Committee finds that waiver of the three-year buyback provision is needed in the current market to allow developers of affordable housing projects to compete on a level playing field, and that more jobs and affordable housing opportunities will thereby be made available.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2708, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takai and Stonebraker.

#### **SCRep. 744 Human Services and Housing on S.B. No. 2705**

The purpose of this bill is to increase from 15 to 20 days, the amount of time the Housing and Community Development Corporation of Hawaii (HCDCH) has to transmit a record of appeal.

HCDCH testified in support of this measure.

Your Committee finds that this measure would make the time period for transmission of the appeal record consistent with that of other administrative proceedings.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2705 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Takai, Stonebraker.

#### **SCRep. 745 Human Services and Housing on S.B. No. 2754**

The purpose of this bill is to:

- (1) Clarify that a caregiver who cares for two or fewer unrelated children is exempt from child care licensing and registration; and
- (2) Allow the Department of Human Services (DHS) to investigate possible violations of the child care law and to authorize DHS to obtain an inspection warrant from the District Court when necessary.

DHS testified in support of this measure. The Honolulu Police Department offered comments.

Your Committee finds that DHS sometimes has difficulty in investigating complaints of illegal child care, particularly in situations where an individual is caring for more than two unrelated children. In most cases, when DHS approaches a caregiver who may be a potential violator, DHS workers are allowed into the home. However, there are some situations where the worker is not allowed on the premises, making it difficult for DHS to enforce the law.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2754 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Takai and Stonebraker.

#### **SCRep. 746 Human Services and Housing on S.B. No. 2041**

The purpose of this bill is to further strengthen child protection laws by establishing the presumption that a child who has been subject to prior abuse and is missing has suffered serious abuse.

Volunteer Legal Services Hawaii (VLSH) testified in support of this measure. The Department of Human Services (DHS) and Keiki Injury Prevention Coalition supported the intent of this measure.

Your Committee finds that child abuse is a serious problem in Hawaii and the nation. A review panel plays a key role in cases of serious abuse. By expanding the definition of serious abuse to include missing children who have been previously abused, the review panel would also review those cases.

Your Committee has amended this bill by:

- (1) Requiring DHS to include in its annual report, information on cases of serious abuse;
- (2) Protecting the identity of children who may have suffered serious abuse by prohibiting the disclosure of their names and any confidential information pertaining to them; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2041, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2041, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Takai and Stonebraker.

#### **SCRep. 747 Human Services and Housing on S.B. No. 2500**

The purpose of this bill is to facilitate the adoption of special needs children by:

- (1) Appropriating funds for the Department of Human Services (DHS) to contract with the Legal Aid Society of Hawaii (LASH) to provide legal assistance to adoptive families of special needs children;
- (2) Requiring the Department of Education (DOE) to provide LASH access to certain information to assist in the application for Supplemental Security Income (SSI) benefits;
- (3) Requiring DHS to make information available to LASH to identify claims for dually eligible Medicare and Medicaid recipients; and
- (4) Appropriating funds to maximize federal benefits available to Hawaii residents who are dually eligible for benefits under Medicaid and Medicare.

DHS submitted comments on this measure.

Your Committee finds that it has been difficult finding prospective adoptive families for special needs children. The State may be eligible for financial incentives if more adoptions occurred. LASH has proven itself successful in obtaining SSI reimbursements.

Your Committee has amended this bill by:

- (1) Removing specific reference to LASH as a contractor;
- (2) Removing the unspecified appropriation of funds to match federal assistance payments for nonrecurring adoption expenses incurred by adoptive families;
- (3) Deleting the requirement that the DHS contract provider must provide legal assistance to at least 130 adoptive families adopting special needs children;
- (4) Removing the provision that requires DOE to provide LASH with children's information;

- (5) Removing the set amounts paid to LASH for each successful adoption application, reconsideration review, and appeal to obtain SSI benefits;
- (6) Changing the appropriation amounts to \$1 for purposes of continued discussion; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2500, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2500, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Takai and Stonebraker.

#### **SCRep. 748 Human Services and Housing on S.B. No. 2703**

The purpose of this bill is to increase affordable housing opportunities for the elderly by:

- (1) Defining "elderly households" and allowing individuals at least 55 years-of-age to reside in the household;
- (2) Defining "elderly housing" to include state or federal housing programs specifically designed to assist the elderly; and
- (3) Allowing a live-in aide to live with the elderly person.

The Housing and Community Development Corporation of Hawaii and Department of Hawaiian Home Lands testified in support of this measure.

Your Committee finds that expanding the definition of "elderly household" provides greater flexibility for the elderly to secure affordable housing and accommodate individuals whose spouse may be younger than 62, and also to accommodate a live-in aide while services are required.

Your Committee has amended this bill by:

- (1) Providing that the live-in aide may only reside with the elder until the elder recovers or is removed from the housing project; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2703, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2703, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takai and Stonebraker.

#### **SCRep. 749 Economic Development & Business Concerns on S.B. No. 2375**

The purpose of this bill is to appropriate an unspecified amount of funds for the Halia Hale, Pauhala Homes, and Hale Po'ai senior and disabled residence complex. Specifically, funds are to be used to:

- (1) Contract with a private security service to provide security guards; and
- (2) Purchase and install three security cameras on the premises.

A concerned citizen supported this measure. The Housing and Community Development Corporation of Hawaii supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2375, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

#### **SCRep. 750 Economic Development & Business Concerns on S.B. No. 2411**

The purpose of this bill is to diversify Hawaii's economy by creating a market for a broad variety of products and services from this State by appropriating an unspecified amount of funds for marketing and promotion of Hawaii products and services.

The Department of Business, Economic Development, and Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2411, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 751 Judiciary & Hawaiian Affairs on S.B. No. 2682**

The purpose of this measure is to appropriate funds to satisfy claims against the State, state officers or employees, and for refunds of taxes, judgments, settlements, and miscellaneous claims.

The Attorney General submitted testimony in support of the bill.

This bill as received contained 26 claims totaling \$1,923,990.35. Since the passage of S.B. No. 2682 S.D. 1, sixteen additional claims totaling \$781,867.67 have been resolved. Accordingly, your Committee has amended this bill by including the sixteen additional claims. The amended appropriations account for 42 claims totaling \$2,705,858.02.

Your Committee has further amended this measure by including language consistent with the Attorney General's testimony to clarify the funding source for various claims. Other technical, nonsubstantive amendments were made for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2682, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes and Whalen.

**SCRep. 752 Judiciary & Hawaiian Affairs on S.B. No. 2751**

The purpose of this measure is to authorize a homestead lessee who is at least one-quarter Hawaiian to transfer the lessee's leasehold interest to a brother or sister who is at least one-quarter Hawaiian.

The Department of Hawaiian Home Lands and the Office of Hawaiian Affairs testified in support of this measure.

Current law provides that qualified relatives to whom a lessee may transfer the lessee's leasehold interest include a husband, wife, child, or grandchild. Your Committee finds that extending transfer rights to siblings will foster family well-being and community harmony.

Your Committee has amended this measure by:

- (1) Inserting a severability clause; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2751, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes and Whalen.

**SCRep. 753 Health on S.B. No. 2776**

The purpose of this bill is to support the provision of comprehensive emergency medical and injury prevention services to the people of Hawaii by expanding the Department of Health's (DOH) duties and functions. This will allow DOH to assist the Hawaii Poison Center to provide statewide poison information services.

DOH, Keiki Injury Prevention Coalition/SAFE KIDS Hawaii, Hawaii Primary Care Association, Kapiolani Medical Center for Women and Children (Kapiolani Medical Center), and a number of concerned physicians provided testimony in support of this measure.

Your Committee finds that the Hawaii Poison Center (HPC) is administered and underwritten by Kapiolani Medical Center. HPC provides the information necessary to avert fatalities and reduce the human and monetary costs of poisoning. The availability of this information especially assists children, who are most in danger of permanent harm from the ingestion of poisonous plants, household chemicals, and unguarded medications.

Since the loss of DOH funding in 1995, Kapiolani Medical Center has been struggling to raise the funds needed to continue these vital services. Your Committee finds that it is appropriate that the State play a role in the provision of HPC poison information services, which are a necessary component of emergency medical services and also, bioterrorism preparedness.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2776, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and Auwae.

**SCRep. 754 Labor & Public Employment on S.B. No. 2127**

The purpose of this bill is to provide special compensation to pensioners aged 70 years or older with 20 or more years of service.

The Hawaii Government Employees Association, Oahu Retired Teachers Association, United Public Workers, and a concerned citizen testified in support of this measure. The Employees' Retirement System commented on this measure.

Your Committee finds that retirees are living longer and facing increased medical costs as they age. To compound the situation, inflation and the rising cost of living has caused many retirees to suffer because their retirement was calculated using the lower salaries they received during their employment years. Moreover, the 2.5 percent cost of living allowance afforded these retirees each July has never changed and is currently inadequate to live on. Your Committee feels that these retirees, many of whom served the state loyally for many years, deserve special compensation provided for in this measure.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2127 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.  
(Representative Rath voted no.)

**SCRep. 755 Labor & Public Employment on S.B. No. 1157**

The purpose of this bill is to transfer the responsibility of adjudicating appeals on matters of Hawaii Occupational Safety and Health (HIOSH) from the Labor and Industrial Relations Appeals Board (LIRAB) to the Hawaii Labor Relations Board (HLRB).

LIRAB, HLRB, and ILWU Local 142 testified in support of this measure.

Your Committee finds that HIOSH cases involve important health and safety issues in the workplace. Currently, cases dealing with HIOSH and workers' compensation issues are under the jurisdiction of LIRAB. This has resulted in a severe backlog in hearings. The resolution of these cases takes several months, and at times, over a year. By allowing HLRB to hear cases involving HIOSH issues, LIRAB will be able to handle its caseload on a more timely basis.

Your Committee further finds that since July, 2000, LIRAB and HLRB have worked cooperatively to utilize HLRB's existing resources to address the backlog of HIOSH cases with great success and that this measure will only serve to improve all aspects of the resolution of HIOSH cases.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1157 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 756 Labor & Public Employment on S.B. No. 2112**

The purpose of this bill is to improve the collective bargaining process by:

- (1) Eliminating fact-finding as a means for resolving an impasse between a public employer and an exclusive representative; and
- (2) Moving up the deadline for declaring an impasse in order to give the Legislature time to approve or reject the cost-items in a collective bargaining agreement before adjourning sine die.

Specifically, this bill:

- (1) Requires the Hawaii Labor Relations Board (Labor Board) to declare an impasse by January 31 of the year in which a collective bargaining agreement is due to expire, rather than by April 15 of an even-numbered year;
- (2) Allows the Labor Board to compel a public employer and an exclusive representative to attend mediation after the twentieth day of an impasse and until the fiftieth day of an impasse;
- (3) Requires the Labor Board to inform the appropriate legislative bodies, on or about the fiftieth day of an impasse, that mandatory mediation has failed to resolve the impasse;
- (4) Allows a public employer and an exclusive representative, after the fiftieth day of an impasse, to resort to such other remedies that are not prohibited by any agreement pending between them, other provisions of the collective bargaining law, or any other law;
- (5) Requires an exclusive representative to give a statement of its position on all remaining issues in dispute to a public employer and the Labor Board when the exclusive representative gives its ten-day notice of intent to strike;
- (6) Requires a public employer, within three days of receipt of a notice of intent to strike, to submit its position on the remaining issues in dispute that are included in the statement transmitted by the exclusive representative with its notice of intent to strike; and

- (7) Gives part-time faculty of the University of Hawaii or graduate students with compensated teaching or research duties, herein constituted as bargaining unit (14), the right-to-strike similar to faculty of the University of Hawaii (UH) and the community college system in bargaining unit (7).

The Hawaii State Teachers Association and the University of Hawaii Professional Assembly testified in support of the measure. The Office of Collective Bargaining commented on this measure.

Your Committee feels that the effectiveness and efficiency of collective bargaining will be improved through the elimination of fact-finding as a means for resolving an impasse, and by moving up the deadline for the declaration of an impasse.

However, this measure also gives part-time faculty of the UH or graduate students with compensated teaching or research duties the right-to-strike, similar to bargaining unit 7, through the creation of a bargaining unit designated as unit 14. Your Committee, however, does not feel that it would be prudent at this time to create a new bargaining unit for these individuals. Accordingly, your Committee has amended this measure by eliminating any reference to bargaining unit (14).

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2112, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2112, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

#### **SCRep. 757 Education on S.B. No. 2102**

The purpose of this bill is to propose amendments to the state constitution that reform the administrative structure of the public education system by:

- (1) Establishing district boards of education composed of members elected at-large, to oversee educational policy for the high school through lower education school complexes within their respective educational districts; and
- (2) Replacing the Board of Education with a Statewide Board of Education composed of the district board and chairs nonvoting armed forces and student members, to formulate statewide educational policy, appoint the Superintendent of Education (Superintendent), and ensure equitable funding for each educational district.

Testimony in support of this bill with some reservations was provided by a concerned citizen. The Hawaii Government Employees Association and the Department of Education testified in opposition to the measure. Comments were submitted by the Hawaii Business Roundtable, Office of Information Practices, and Department of Budget and Finance.

Your Committee agrees that a restructuring of Hawaii's public education system is necessary, and that there must be informed public debate of the matter to identify school and community needs and concerns, and develop a governance framework that responds to those needs. To encourage that discussion, your Committee has amended this measure by replacing its contents with the substance of H.B. No. 2033, H.D.3.

As amended, this bill proposes amendments to the state constitution that reform the administrative structure of the public education system by:

- (1) Abolishing the Board of Education;
- (2) Establishing a Superintendent Selection Commission appointed by the Governor, Senate President, and Speaker of the House of Representatives, to assemble a list of nominees for Superintendent from which the Governor shall select the Superintendent;
- (3) Empowering the Superintendent to formulate statewide educational policy;
- (4) Creating Local District School Boards of Education to implement the Superintendent's educational policy within their districts; and
- (5) Providing that the internal organization of the public education system shall be as provided by law.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2102, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2102, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Bukoski, McDermott, Ontai and Stonebraker. (Representative Halford voted no.)

#### **SCRep. 758 Education on S.B. No. 3018**

The purpose of this bill is to create seven educational districts from which district boards of education shall be elected.

The Board of Education (BOE) and Hawaii Government Employees Association submitted testimony in opposition to this bill. The Hawaii Business Roundtable submitted comments on this bill.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the contents of H.B. No. 2037, H.D. 2. As amended, this bill:

- (1) Abolishes BOE;
- (2) Creates 15 school districts that are to be established by a School District Apportionment Commission;
- (3) Establishes one district school board for each district;
- (4) Sets guidelines for the Superintendent of Education (Superintendent) to be a coordinator to the school districts, in addition to managing the Department of Education;
- (5) Establishes district superintendents responsible for the educational needs of individual districts;
- (6) Transfers BOE's responsibilities to the Superintendent;
- (7) Creates a Joint Senate-House Task Force (Task Force) to:
  - (A) Review statutes that will require conforming amendments;
  - (B) Propose legislation governing the election of district school boards; and
  - (C) Analyze the effects of this bill and propose additional legislation or amendments to the bill;and
- (8) Repeals outdated statutes relating to libraries.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3018, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3018, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Bukoski, McDermott, Ontai and Stonebraker.

**SCRep. 759 Water & Land Use and Energy & Environment Protection on S.B. No. 2238**

The purpose of this measure is to authorize the issuance of \$50,000,000 in special purpose revenue bonds for Wailuku River Hydroelectric Power Company, Inc. to assist in establishing nonfossil fuel generating plants and related facilities in Hilo.

The Wailuku River Hydroelectric Power Company, Inc. testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2238, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Meyer and Thielen.  
(Representative Hale voted no.)

**SCRep. 760 Water & Land Use on S.B. No. 2812**

The purpose of this measure is to authorize the Board of Land and Natural Resources to lease, by direct negotiation and without recourse to public auction, state submerged lands or lands beneath tidal waters for private noncommercial piers.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2812, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 761 Water & Land Use on S.B. No. 2795**

The purpose of this measure is to expand the Department of Land and Natural Resources' authority to:

- (1) Possess or use chemicals and electrofishing devices that would normally be unlawful, when no other reasonable alternative is appropriate; and
- (2) Permit non-consumptive activities that are otherwise prohibited by law.

The bill also clarifies that permits issued for possession of chemicals and electrofishing devices includes the use of such devices.

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



As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2795, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 762 Health and Human Services and Housing on S.B. No. 2768**

The purpose of this bill is to improve access for persons with disabilities by:

- (1) Requiring the design requirements for state and county construction projects to conform to the federal Fair Housing Amendments Act of 1988; and
- (2) Clarifying the application of the design requirements law as it pertains to projects involving federal funds.

The Disability and Communication Access Board testified in support of this measure.

Your Committees find that this bill will clarify the scope of coverage of the law to projects that are federally-funded and administered by the State or a county. Currently, the law establishes the scope of coverage as federal, state, and county projects. Federal projects should not be under the jurisdiction of state law.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2768, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and Auwae.

**SCRep. 763 Health on S.B. No. 2761**

The purpose of this bill, as received, is to establish a consistent fee structure for permits relating to burial and disinterment that are issued by the Department of Health (DOH).

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that replaced the contents of this bill with the substance of H.B. No. 2042, which:

- (1) Establishes a task force to explore different options for access to vital statistics records for purposes of verifying ancestry; and
- (2) Appropriates an unspecified sum for staff and to provide required documentation.

The Oahu Council of Hawaiian Civic Clubs testified in support of the proposed H.D. 1. DOH submitted comments on the proposed H.D. 1.

Your Committee finds that federal legislation may require individuals to substantiate Hawaiian ancestry. The records providing this information are held by DOH, and the Hawaiian community will need effective and efficient access to those records.

Upon careful consideration, your Committee has amended this bill by deleting its substance and inserting provisions found in the proposed H.D. 1 version. Your Committee has further amended this bill by:

- (1) Specifying that the Governor appoint members of the task force;
- (2) Including representation on the task force from the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Hawaii's Congressional delegation, and Kamehameha Schools;
- (3) Deleting the appropriation;
- (4) Repealing the bill on June 30, 2003; and
- (5) Making other technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2761, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2761, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and Auwae.

**SCRep. 764 Health on S.B. No. 2763**

The purpose of this bill is to establish the Hawaii Birth Defects Program within the Department of Health (DOH) to collect data on birth defects to be used for research.

DOH, Kaiser Permanente, March of Dimes Hawaii Chapter, and several individuals testified in support of this measure. The Christian Science Committee on Publication for Hawaii submitted comments.

Your Committee finds that collecting data on birth defects will provide valuable information to conduct research on preventing birth defects in the future. Approximately one out of every twenty babies born in Hawaii each year has a birth defect. The surveillance of birth defects will serve as an early warning system of environmental health threats since Hawaii is geographically isolated and cannot depend on data from neighboring states from an alert about a rise in birth defects.

Your Committee has amended this bill by:

- (1) Inserting a provision exempting collection of information regarding a child if the parent, guardian, or other person having custody or control of the child objects because of religious beliefs; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2763, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and Auwae.

#### **SCRep. 765 Health on S.B. No. 2777**

The purpose of this bill is to allow a person or the guardian, agent, or surrogate with legal authority, to make healthcare decisions on behalf of the person to:

- (1) Allow withholding of cardiac resuscitation and artificial breathing; or
- (2) Revoke "comfort care only – do not resuscitate" (CCO-DNR) documents.

The Department of Health testified in support of this measure.

Your Committee finds that current law specifies a physician's declaration of a terminal condition as the only circumstance for implementation of the pre-hospital CCO-DNR protocols, and does not allow personal choice. Physicians are placed in a difficult and uncomfortable position with diagnosing a person as being terminally ill. This measure will allow the individual to make their own determination in regards to resuscitation.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 2020, for purposes of promoting further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2777, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takai, Kahikina and Auwae.

#### **SCRep. 766 Labor & Public Employment and Higher Education on S.B. No. 2964**

The purpose of this bill is to encourage community service and volunteer participation by:

- (1) Statutorily establishing the Hawaii Commission for National and Community Service (Commission) and place it within the University of Hawaii (UH); and
- (2) Transferring the functions and programs from the temporary Commission presently within the Department of Labor and Industrial Relations (DLIR) due to the new Commission..

The Department of Human Services, Department of Education, Hawaii Government Employees Association, and UH testified in support of this measure. DLIR testified in opposition to this measure.

The Commission was created by Executive Order 94-01 and was temporarily placed within DLIR for administrative purposes. As part of the National and Community Service Act of 1993, Hawaii is required to have the Commission in order to receive federal funds through the Corporation for National Service for the Americorps national service program. Inasmuch as an executive order is temporary in nature in accordance with section 26-41, Hawaii Revised Statutes, your Committees find that this bill gives the Commission a permanent home.

Your Committees further find that the major goal of the Commission is to promote and encourage community service and volunteer participation as a means of community and state problem solving. This is a worthwhile and noble endeavor and has been instrumental in developing our communities.

However, your Committees also understand the concerns raised by DLIR regarding the transfer of positions and other items from DLIR to UH proposed in this bill.

Therefore, your Committees have amended this measure by changing the effective date of the appropriation section from July 1, 2002, to July 1, 2050, to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2964, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2964, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Yoshinaga, Pendleton, Kahikina, Bukoski, Halford, McDermott, Ontai and Stonebraker.

**SCRep. 767 Labor & Public Employment on S.B. No. 2788**

The purpose of this bill is to allow parties to an unemployment appeal to file their appeals directly with the Employment Security Appeals Referee's Office (ESARO).

The Department of Labor and Industrial Relations and ILWU Local 142 testified in support of this measure.

Currently, parties have to file appeals of unemployment insurance (UI) determinations in the UI office in their county of residence or the county of their last employment. The eight UI offices in the various counties then forward the appeals to ESARO.

Allowing parties to file their appeals directly to ESARO, in addition to the UI offices, will facilitate the filing of appeals and result in speedier adjudication of unemployment appeals.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2788 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Souki.

**SCRep. 768 Energy & Environment Protection and Consumer Protection & Commerce on S.B. No. 2278**

The purpose of this bill is to promote energy efficiency by allowing taxpayers to accelerate depreciation on investments in combined heat and power (CHP) systems.

The Gas Company, Life of the Land, and a concerned individual supported this measure. The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Tax Foundation of Hawaii submitted comments on this measure. The Department of Taxation opposed this bill.

Your Committees find that CHP systems have been proven to significantly reduce fossil fuel consumption, converting 80-90 percent of consumed fuel to usable energy. In addition, CHP systems currently have a 30-year class life. This bill accelerates the depreciation of a CHP system by reducing the class life to 22 years. Decreasing the class life would provide an incentive for building owners and operators to install energy-efficient CHP systems.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2278, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Ito, Meyer, Case, Souki, Yoshinaga, Gomes and Meyer.

**SCRep. 769 Consumer Protection & Commerce on S.B. No. 2094**

The purpose of this measure is to make permanent Hawaii's prompt payment law, which is scheduled for repeal on July 1, 2002.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association and Hawaii Medical Association. The State Insurance Commissioner submitted testimony supporting the deletion of the sunset requirement, and opposing the proposed \$2 minimum for interest on delayed claims payments.

Your Committee finds that the prompt payment law should be continued to ensure prompt payment of health insurance claims. This bill is a culmination of all interested parties' efforts to create a law that provides an incentive for health plans to pay claims expeditiously and for providers to bill accurately.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2094, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

**SCRep. 770 Consumer Protection & Commerce on S.B. No. 2582**

The purpose of this bill is to make Hawaii's premium tax structure for single-owner and multi-owner captive insurance licensees more equitable and attractive, while maintaining an adequate funding base for the monitoring, regulation, and development activities undertaken by the Captive Insurance Branch (Branch) of the Insurance Division.

Testimony in support of this measure was received from the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA).

Your Committee finds that under the present tax structure single-owner captive insurers pay a premium of .25 percent on gross premiums, while multi-owner captive insurers pay a tax of one percent. This bill proposes to make both single-owner and multi-owner captive insurance licensee premiums subject to a tax of .25 per cent on the first \$25,000,000, .15 per cent on the next \$25,000,000, and .05 per cent on premiums over \$50,000,000.

The proposed tax structure is expected to attract captive insurance companies with large premium bases to Hawaii, thus, its impact on Hawaii's captive insurance market and DCCA regulatory responsibilities also require a change in funding for the Captive Insurance Administration Fund (Fund). Accordingly, this measure increases the minimum funding level of the Fund from \$250,000 to \$1,500,000 to account for anticipated Branch needs for the next two years.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2582 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

#### **SCRep. 771 Consumer Protection & Commerce on S.B. No. 2743**

The purpose of this bill is to remove exemptions from central services expense contributions for the Insurance Regulation Fund (IRF) and the Compliance Resolution Fund (CRF).

The Department of Commerce and Consumer Affairs (DCCA) testified in support of this administration measure.

Your Committee finds that all special funds, except for those granted exemptions, are assessed prorated central service expenses of government related to those funds. DCCA's IRF and CRF are among the special funds exempt from payments for these services.

Your Committee further finds that this bill will allow approximately \$1,500,000 per year to be transferred to the general fund from the IRF and CRF, which will allow the State to better serve the public.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2743 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

#### **SCRep. 772 Consumer Protection & Commerce on S.B. No. 2723**

The purpose of this administration bill is to merge the Insurance Regulation Fund (IRF) into the Compliance Resolution Fund (CRF) of the Department of Commerce and Consumer Affairs (DCCA).

Testimony in support of this measure was received from DCCA's Deputy Director and Insurance Commissioner.

Your Committee finds that DCCA is self-supporting and currently obtains its funding through the CRF. The Insurance Division, which is within DCCA, is also self-supporting and is funded through the IRF.

This proposed merger of the IRF and CRF will provide greater efficiency in the administration of DCCA's funds without adversely affecting its regulatory functions. It will also result in only a single annual funding report, the Compliance Resolution Fund Report, rather than two separate reports, allowing substantive and fiscal information on insurance to be more comprehensive.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2723, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

#### **SCRep. 773 Consumer Protection & Commerce and Judiciary & Hawaiian Affairs on S.B. No. 2729**

The purpose of this measure is to correct references to the business corporation and nonprofit corporation laws in the Hawaii Revised Statutes (HRS).

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this bill.

Your Committees find that efforts to modernize Hawaii's business registration laws have resulted in the enactment of new Business Corporation and Nonprofit Corporation Acts (chapters 414 and 414D, HRS, respectively). The former became effective on July 1,

2001, and the latter will take effect on July 1, 2002. This measure replaces references to chapters 415 and 415B, the old Business Corporation and Nonprofit Corporation Acts, with correct references to the new Acts.

Your Committees further find that this bill clarifies that business entity fees may be adjusted without rulemaking and subject to the Governor's approval.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2729, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Auwae, Gomes, Marumoto and Meyer.

#### **SCRep. 774 Consumer Protection & Commerce and Judiciary & Hawaiian Affairs on S.B. No. 2730**

The purpose of this bill, which applies to business corporations, partnerships, limited liability partnerships, nonprofit corporations, and professional corporations, is to enhance the State's business climate by expanding and clarifying Hawaii's business entity merger laws.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA).

Your Committees find that state laws presently place restrictions on mergers of certain business entities and are unclear as to the types of mergers that are allowed, thus hampering Hawaii's business and commercial activities.

By allowing business entities to merge freely with other registered entities, this bill provides needed flexibility that will improve the business climate for current and new businesses. This bill also clarifies the procedures for approval of a merger by shareholders, and the filing of articles of merger.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2730, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Auwae, Gomes and Meyer.

#### **SCRep. 775 Agriculture on S.B. No. 2481**

The purpose of this bill is to deter the theft of certain livestock by expanding the offense of theft of livestock to include goats and any species farmed for household or commercial use, including poultry, bison, or elk.

The Department of Agriculture supported this measure.

Your Committee finds that:

- (1) Owners of goats could experience substantial economic loss from theft; and
- (2) The deterrence provided by this measure should extend to other species that are in or may be introduced to the State.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2481, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

#### **SCRep. 776 Agriculture on S.B. No. 2490**

The purpose of this bill is to revise and clarify labeling requirements for Hawaii-grown roasted or instant coffee.

The Hawaii Agriculture Research Center, Hawaii Food Industry Association, and Hawaii Coffee Company supported this measure. The Hawaii Farm Bureau Federation supported the intent of this bill. The Department of Agriculture offered comments.

Your Committee supports the intent of this bill to revise and clarify labeling requirements for Hawaii-grown roasted or instant coffee. However, your Committee has received testimony indicating that H.B. 2169, H.D. 2, a similar measure, contains preferable language that clarifies, simplifies, and strengthens the intent of these bills.

Upon further consideration, your Committee has amended this measure by deleting its contents and replacing it with the substance of H.B. 2169, H.D. 2. In addition, other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 777 Agriculture on S.B. No. 2136**

The purpose of this bill is to appropriate an unspecified amount of funds to implement short-term methods to stop the spread of fireweed.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, Pineapple Growers Association of Hawaii, and the Maui Cattlemen's Association supported this bill.

Your Committee has amended this measure by:

- (1) Inserting the appropriation amount of \$50,000;
- (2) Requiring a one-to-one match of funds appropriated in this bill by funds from other sources; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2136, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2136, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 778 Agriculture on S.B. No. 2482**

The purpose of this bill is to appropriate an unspecified amount of funds for the establishment of an Agricultural Theft Abatement Task Force.

The Hawaii Farm Bureau Federation, Hawaii Aquaculture Association, Pineapple Growers Association of Hawaii, Hawaii Food Industry Association, and a concerned citizen supported this measure. The Department of Agriculture and the Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this bill. The Hawaii Forest Industry Association offered comments.

Your Committee has amended this measure by:

- (1) Expanding the definition of "agricultural commodities" to include timber and lumber; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2482, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 779 Agriculture on S.B. No. 2665**

The purpose of this bill is to support agricultural marketing by:

- (1) Establishing a temporary Agricultural Cooperative Association (Cooperative Association) in the County of Maui to assist farmers with marketing their produce and products;
- (2) Requiring the Agribusiness Development Corporation (ADC) to provide its knowledge and resources, as well as to solicit assistance from local agricultural entrepreneurs, to develop a marketing plan and strategy that represents all segments of the diversified agricultural sector in the County of Maui; and
- (3) Requiring the ADC to submit a report to the Legislature prior to the convening of each Regular Session, beginning in 2003.

Testimony in support of this measure was submitted by the Hawaii Leeward Planning Conference. The ADC and Hawaii Farm Bureau Federation supported the intent of this bill.

Your Committee supports efforts to promote and develop Hawaii's agricultural industry, including the use of agricultural cooperatives. However, your Committee notes that information received by the ADC from federal sources indicates that the ADC does not meet the qualifications necessary to form agricultural cooperatives.

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

- (1) Deleting the provision that requires the ADC to establish a Cooperative Association in the County of Maui;
- (2) Changing the sunset date of this bill to June 30, 2005; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2665, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2665, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 780 Agriculture on S.B. No. 2666**

The purpose of this bill is to create a seal of quality program for fresh and processed agricultural products which are produced within the State.

The Department of Agriculture, Hawaii Food Industry Association, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, Meadow Gold Dairies, Pineapple Growers Association of Hawaii, and an individual submitted testimony in support of this bill.

Your Committee finds that many agricultural products currently bear Hawaii's name, or claim to be "Made in Hawaii." Because there is no way for consumers to substantiate the origin and quality of these products, the value of a Hawaii label is diminished. Establishing a seal of quality program would ensure that only products that have been substantially fabricated or have had a substantial portion of their value added in Hawaii will be presented to consumers as genuine Hawaii products. Such a program will create greater demand for authentic Hawaii products and enhance their value.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2666, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2666, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 781 Economic Development & Business Concerns on S.B. No. 2239**

The purpose of this bill is to support marine research efforts of the Oceanic Institute by authorizing the issuance of an unspecified amount of general obligation bonds to finance the following projects:

- (1) Information technology and training facility;
- (2) Integrated management facility;
- (3) Molokai hatchery;
- (4) Kona research facility; and
- (5) Hilo feed mill.

The Department of Agriculture, Hawaii Island Economic Development Board, and Oceanic Institute supported this measure. The Hawaii Aquaculture Association supported the intent of this bill. A concerned citizen offered comments.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2239, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 782 Economic Development & Business Concerns on S.B. No. 2609**

The purpose of this bill is to stimulate business and industrial growth in low income or high unemployment areas by:

- (1) Expanding the scope of the Enterprise Zone program by allowing call centers that provide customer and technical support services for disease management services to qualify for enterprise zone benefits; and
- (2) Establishing a statutory definition for "disease management services".

Enterprise Honolulu, American Healthways, Inc., and Hawaii Island Economic Development Board supported this measure. The Department of Business, Economic Development, and Tourism supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2609, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 783 Economic Development & Business Concerns on S.B. No. 3021**

The purpose of this bill is to expand the tax credit for motion picture and film production to include up to an unspecified percentage of the costs of wages and salaries, capped at \$25,000 per employee, and to include commercials in motion picture and film production.

A member of the Maui County Council, Hawaii Consortium for the Arts, Screen Actors Guild Hawaii Branch, and Hawaii Island Economic Development Board testified in support of this measure. The Department of Business, Economic Development, and Tourism and Hawaii Film Authority, Inc. testified in support of the intent of this measure.

The Department of Taxation and Department of Budget and Finance opposed this measure. The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3021, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 784 Health on S.B. No. 2764**

The purpose of this bill, as received, is to require the Department of Health (DOH) to ensure adequate safety measures to safeguard its electronic vital statistics records.

Your Committee circulated a proposed H.D. 1 at the public hearing, which also incorporates portions of S.B. No. 2761, S.D. 2, and H.B. 2506, H.D. 1.

The proposed H.D. 1:

- (1) Requires DOH to ensure adequate security measures to safeguard its electronic records;
- (2) Streamlines the process of registering births, deaths, and burials by centralizing the process within the Department of Health (DOH) instead of in separate districts;
- (3) Establishes a \$20 fee for a permit for removal, burial, or other disposition of a dead body (Disposition Permit) with one-half of the fee deposited into the Vital Statistics Improvement Fund (Improvement Fund) and the remaining half deposited into the general fund; and
- (4) Increases the fee for a disinternment permit (Disinternment Permit) from \$5 to \$20 with one-half of the fee deposited into the Improvement Fund and the remaining half deposited into the general fund.

The Office of Information Practices (OIP) testified in support of the proposed measure. DOH supported the intent of the proposed measure.

OIP was in support of the measure primarily because of the inclusion of adequate electronic safeguards. DOH testified that they would like that provision removed and that safeguards are already in place to protect confidentiality of information.

Upon further consideration, your Committee has further amended the proposed H.D. 1 to:

- (1) Remove the provision of electronic safeguards;
- (2) Reduce the amount of the fees for the Disposition Permit and Disinternment Permit from \$20 to \$10;
- (3) Require that a 100 percent of the fees from the Disposition Permit and Disinternment Permit be deposited into the Improvement Fund; and
- (4) Make other technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2764, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2764, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Kahikina and Auwae.  
(Representatives McDermott and Stonebraker voted no.)

**SCRep. 785 Economic Development & Business Concerns on S.B. No. 2412**

The purpose of this bill is to appropriate an unspecified amount of funds to extend the economic development program of the Small Business Development Center at the University of Hawaii at Hilo. Funds are to be used primarily for consultants to expand the delivery of services to small business owners.

The Hawaii Small Business Development Center Network and the Hawaii Island Economic Development Board supported this measure. The Department of Business, Economic Development, and Tourism supported the intent of this bill.



As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2412, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 786 Transportation on S.B. No. 410**

The purpose of this bill is to facilitate the interisland shipment of motor vehicles.

Specifically, this bill:

- (1) Repeals the requirement that the registered, but not legal, owner of a vehicle being shipped interisland provide the carrier with the legal owner's written consent; and
- (2) Requires the carrier to maintain records of a vehicle's shipment, including the vehicle's identification number, for a minimum of three years.

Young Brothers, Ltd. testified in support of this measure. First Hawaiian Bank testified in support of the intent of this bill. The Honolulu Police Department (HPD) and Hawaii Credit Union League testified in opposition to this measure.

Current law requires that a person shipping a vehicle between islands provide the shipper with current vehicle registration, identification, and proof of insurance. If the shipping customer is the registered, but not the legal owner of the vehicle, the customer must provide the shipper with the written consent of the legal owner. The legal owner is typically the financial institution that financed the sale of the vehicle. In addition, an authorized agent of a legal or registered owner must present a notarized letter from the legal or registered owner in order to ship the vehicle. These requirements were established to prevent the unauthorized or fraudulent transporting of vehicles between islands.

However, your Committee finds that these requirements make it difficult for businesses, as well as individuals, to ship their cars intrastate or to the mainland. Moreover, it should be noted that no such requirements exist for shipping vehicles to Hawaii or between states in the continental United States.

Although your Committee understands the concerns regarding the interisland shipment of stolen vehicles raised by HPD, your Committee feels that this bill contains adequate safeguards to address these concerns.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 410, S.D. 3, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 787 Transportation on S.B. No. 2307**

The purpose of this bill is to expand the definition of "photographs" to include electronic or digital pictures for the purposes of Hawaii's Rules of Evidence.

The Maui Police Department and several concerned citizens testified in support of this measure. The Department of Transportation, the Judiciary, and the Office of the Public Defender commented on this measure.

Your Committee finds that with advances in photographic technology, electronic or digital photography has become as prevalent and at least as accurate as film photography. Through the use of such technology, the safety of crash scene investigators is improved by minimizing their physical exposure to traffic. Moreover, the occurrence of secondary collisions and significant and costly delays to the motoring public can be minimized through the use of photogrammetric technology.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2307 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.  
(Representative Rath voted no.)

**SCRep. 788 Transportation on S.B. No. 2335**

The purpose of this bill is to eliminate the requirement that a neighborhood electric vehicle (NEV) display a "slow moving vehicle" emblem when traveling on public roads.

The Department of Transportation testified in support of this measure.

Current law restricts the operation of NEVs to roads with a speed limit not greater than 35 miles per hour. Moreover, the slow moving vehicle emblem designation was intended to be used and designed primarily for heavy machinery and farm equipment that is driven on roads that typically have a speed limit in excess of 35 miles per hour. Thus, the utilization of the slow moving vehicle identification emblem on NEVs appears to be unnecessary.

However, some questions were raised regarding what a NEV exactly was and whether or not electric vehicles sold and designated for use on city streets fit into this category. Thus, to facilitate further discussion, your Committee has amended this measure by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2335, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

#### **SCRep. 789 Transportation on S.B. No. 2337**

The purpose of this bill is to deter racing on public highways by enhancing penalties, including increasing fines, providing for license suspension, and requiring forfeiture of vehicles for repeat convictions.

The Department of Transportation and the Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this measure. The Honolulu Police Department (HPD) supported the intent of the measure but had serious concerns regarding the forfeiture of vehicles and adequate storage space to impound these vehicles. The Office of the Public Defender opposed the measure.

Racing on public highways has become a very serious problem in this State. Unfortunately, racing has dire consequences, often resulting in deaths and injuries to the racers, their passengers, and innocent motorists. Your Committee finds that stiffer penalties are needed to deter drivers from using public roadways to engage in racing activities.

Your Committee understands concerns that there is inadequate space to store forfeited vehicles, and there may be harsh consequences for a family that may depend on a forfeited vehicle as their only means of transportation, especially on the Neighbor Islands.

Accordingly, your Committee has amended this measure by:

- (1) Removing all vehicle forfeiture provisions; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2337, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2337, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

#### **SCRep. 790 Transportation on S.B. No. 2277**

The purpose of this bill is to authorize up to four different war or military campaign designations on a single license plate.

The Office of Veterans Services and the Department of Customer Services of the City and County of Honolulu supported the intent of this measure.

Veterans are very proud of the service they have provided, especially in times of conflict. Currently, a veteran of multiple conflicts is required to choose only one war or campaign to be reflected on a license plate because it is permanently imprinted on the plate, and there is not enough space for the listing of multiple conflict participation. Allowing veterans the option of listing their service in multiple military campaigns appears to be a fitting tribute to those who gave so much for the people of this nation.

Your Committee also feels that individuals who have received this country's highest military honor, the Congressional Medal of Honor, should also be allowed to show their status on military specialty plates.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new category of military specialty license plates to recognize Congressional Medal of Honor recipients; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

#### **SCRep. 791 Transportation on S.B. No. 2330**

The purpose of this bill is to provide equitable treatment to all users of state wharves and to assist local businesses by exempting interstate and intrastate shipping cargo destined for the neighbor islands from wharfage fees at the intermediate port.

Young Brothers, Limited, Meadow Gold Dairies, Hawaii Farm Bureau Federation, and the Hawaii Food Industry Association testified in support of this measure. The Department of Transportation and Matson Navigation Company, Inc. testified in opposition to this measure.

Current law provides for an exemption of wharfage fees of domestic overseas or foreign cargo, transshipped to the Neighbor islands via Honolulu, from wharfage fees at intermediate ports. However, cargo bound for the Neighbor Islands, which must be stored, repacked, or processed in Honolulu before being shipped to its ultimate destination, is subject to wharfage fees at the intermediate port. This is also true for cargo being shipped between Neighbor Islands. Your Committee feels that this fee makes it difficult for local companies to compete with mainland concerns who can ship their goods directly to the Neighbor islands on through bills of lading. This bill will correct this inequity and level the playing field among shipping companies throughout Hawaii.

Your Committee has amended this measure by changing the effective date from July 1, 2050, to upon its approval.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2330, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2330, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

#### **SCRep. 792 Legislative Management on S.B. No. 3017**

The purpose of this bill is to request the Legislative Reference Bureau (LRB) to review the Hawaii Visitors and Convention Bureau Warrior Marker Program and to submit a report to the Legislature.

LRB commented on this bill. The Hawaii Tourism Authority opposed this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3017 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 793 Legislative Management on S.B. No. 3011**

The purpose of this bill, as received, is to appropriate funds to enable the Auditor to audit the Department of Education (DOE).

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that deletes the contents of the bill and inserts the contents of H.B. No. 1821, H.D. 2, which appropriates funds to the Auditor to conduct financial audits of all state agencies.

The Auditor supported the intent of the proposed H.D. 1 and suggested amendments. The Department of Accounting and General Services (DAGS) and the Department of Budget and Finance opposed this bill. DOE commented on this bill.

Upon further consideration, your Committee has further amended this bill by adopting the Auditor's proposed amendments. Accordingly, your Committee has deleted the contents of the proposed H.D. 1 and inserted provisions to:

- (1) Allow the Auditor to charge audited entities a reasonable fee for the cost of performing financial audits, including financial statement audits, audits required under federal law, and audits of special funds, revolving funds, or trust funds;
- (2) Create an Audit Revolving Fund to be administered by the Auditor to collect the moneys received to conduct audits and to pay for CPAs to conduct those audits;
- (3) Appropriate a one-time appropriation of \$575,000 for fiscal year 2002-2003 to be paid into the Audit Revolving Fund;
- (4) Appropriate \$2,200,000 for fiscal year 2002-2003 from the Audit Revolving Fund to carry out the purposes of the Audit Revolving Fund;
- (5) Appropriate \$2,500,000 in general funds for fiscal year 2002-2003 to conduct financial statement audits required by federal law; and
- (6) Change the effective date to July 1, 2002.

Your Committee finds that there is a problem with the way financial statement audits of state agencies are currently conducted. DAGS selects the certified public accounting (CPA) firm that audits the various departments, offices, and agencies of the State. Thereafter, DAGS is no longer involved with the audits.

The department, office, or agency being audited signs the contract with the selected CPA firm, is billed directly by the CPA firm, pays the CPA firm with moneys that are appropriated to the department, works directly with the staff and management of the CPA firm, and reviews and approves the final report from the CPA firm. This arrangement results in reduced independence between the CPA firm and the client/auditee. This reduced independence has been allowed to go on for too long.

Your Committee believes that the Legislature needs to strengthen its oversight capability by funding the entire responsibility for financial audits through its own oversight entity, the Office of the Auditor. The proposed H.D. 1 will accomplish this shift by recognizing financial audit costs as a legislative expense.

Your Committee has learned that approximately half of the State's external audit costs are paid from federal, special, and other funds. To prevent any loss of federal funding and to enable the State to continue to charge each fund its rightful audit cost, your Committee has amended this bill to establish a revolving fund in the Office of the Auditor and has authorized the Auditor to expend moneys from the revolving fund.

This is the same model used by several other states. The audits supported by the general fund, currently budgeted in the respective departments, will merely experience a change in expending agency. The net effect is no change in overall expenditures for auditing, except for a one-time appropriation of seed money to the revolving fund to advance the costs of the federally funded audits.

Your Committee finds the transfer to be effectuated by this bill will not reduce the ability of executive departments to rely on the audits as a management tool. Rather, the agencies will no longer have control over the audits, resulting in greater independence and reliability and an increase in the use of audits as a management tool.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 794 Legislative Management on S.B. No. 2038**

The purpose of this measure is to clarify the Auditor's access to student records by designating the Auditor as:

- (1) The authorized representative of the Department of Education (DOE) for the purpose of accessing student education records in connection with the audit of federally supported education programs; and
- (2) The health oversight agency under federal and state law to conduct oversight of the Department of Health (DOH) to evaluate the effectiveness of the DOH in providing services that relate to educational programs.

In addition, this bill requires the Auditor to keep the information it collects confidential and to destroy personally identifiable data when no longer needed.

The Auditor supported the intent of the measure but preferred the language in the unamended version of S.B. No. 2038. The DOE opposed this bill. The Attorney General commented on this bill.

Your Committee has amended this bill by deleting its substance and inserting the contents of the original S.B. No. 2038 to address the concerns raised by the Auditor.

This bill as amended:

- (1) Removes the incorrect statutory reference to the Federal Educational Rights Privacy Act (FERPA);
- (2) Amends the type of records that the Auditor may have access to include "any student or other records"; and
- (3) Combines the health oversight provisions with FERPA provisions to eliminate any confusion with respect to the Auditor's access to DOH records.

Other technical, nonsubstantive amendments were made for clarity and style

Your Committee finds that the Office of the Auditor has been thwarted in its efforts in the investigation into the State's compliance with the *Felix* consent decree. Your Committee believes that this bill will provide the Auditor the authority needed to access these records, while still keeping these records confidential.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2038, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2038, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

#### **SCRep. 795 Economic Development & Business Concerns on S.B. No. 2540**

The purpose of this bill is to provide financial assistance to community-based entrepreneurs by appropriating an unspecified amount of funds to the Community-Based Economic Development program of the Department of Business, Economic Development, and Tourism (DBEDT).

Testimony in support of this measure was submitted by the County of Hawaii, Hawaii Small Business Development Center Network, a member of the Hawaii County Council, Hamakua Diversified Agricultural Association, Waimanalo Community Development Corporation, Native Pathfinders Institute, Inc., Nanakuli Neighborhood Housing Services, Inc., Ocean View Community

Association, Inc., Friends of Mokuleia, Inc., Community Works, North Shore Farms, Waialua Farmers Cooperative, Maunalaha Valley Community Association, Hawaii Alliance for Community-Based Economic Development, Oahu Workforce Investment Board, Hilo Hamakua Community Development Corporation, Lahaina Town Action Committee, Hawaii Alliance for Arts Education, Hawaii County Economic Opportunity Council, Bank of Hawaii, Ka'u Agro-Forestry Association, Na Po'e Hoa 'Aina, and two concerned citizens.

DBEDT supported the intent of this bill.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2540, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2540, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

#### **SCRep. 796 Economic Development & Business Concerns on S.B. No. 2907**

The purpose of this bill is establish a nonrefundable tax credit of up to \$100,000,000 for investment expenses incurred in the development of facilities for attractions and educational purposes at Ko Olina Resort and Marina.

Specifically, this measure also:

- (1) Allows the taxpayer to claim this credit against the tax liability imposed by the State income tax, as well as the general excise tax, transient accommodations tax, use tax, public service company tax, taxes on banks and other financial corporations, and taxes under the Insurance Code;
- (2) Includes recapture provisions for costs incurred that no longer qualify for the tax credit; and
- (3) Applies to investments made within the time period beginning after June 30, 2002, and before January 1, 2008.

The Hawaii Government Employees Association, Ko Olina Resort and Marina, The Estate of James Campbell, Armstrong Builders Ltd., 300 Corporation, and several concerned citizens supported this measure. The Department of Taxation and the Department of Budget and Finance opposed this bill. The Tax Foundation of Hawaii and Hawaii Coalition Against Legalized Gambling offered comments.

Your Committee believes that this measure will spur much-needed economic growth in the West Oahu area by supporting the development of the Ko Olina Resort and Marina, including the construction of a world-class aquarium. In the long run, this development should improve Hawaii's economy by promoting tourism and providing employment for many of Hawaii's workers. However, your Committee recognizes concerns raised regarding the revenue impact to the State of the tax credit contained in this bill.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions allowing the tax credit to be applied against general excise tax liability; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2907, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2907, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

#### **SCRep. 797 Tourism & Culture on S.B. No. 2938**

The purpose of this bill is to establish the temporary Filipino Centennial Celebration Commission (Commission) to oversee the commemoration of the centennial anniversary of the arrival of the first Filipinos to Hawaii. Specific duties of the Commission include:

- (1) Preparation of an overall program to celebrate:
  - (A) The centennial anniversary of the arrival of the Filipino people to Hawaii;
  - (B) Significant contributions to the State made by the Filipino people; and
  - (C) Filipino culture and heritage;
- (2) Identification of a nonprofit organization that will be responsible for any moneys received or expended for the celebration;
- (3) Development, planning, and coordination of various activities that are to be scheduled throughout the year of celebration; and

- (4) Encouraging the participation of all segments of the Filipino community in the celebration activities.

The State Foundation on Culture and the Arts, Congress of Visayan Organizations, Ilocos Surian Association of Hawaii, Big Island Filipino Community Council, and a concerned citizen supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2938 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Ontai.

**SCRep. 798 Tourism & Culture on S.B. No. 2895**

The purpose of this bill is to appropriate an unspecified amount of funds to meet expenses relating to the representation of Hawaii at the Festival of Pacific Arts.

The State Foundation on Culture and the Arts supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2895, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Ontai.

**SCRep. 799 Judiciary & Hawaiian Affairs on S.B. No. 2750**

The purpose of this measure is to allow improvement of the general welfare and conditions of native Hawaiians by allowing the expenditure of Native Hawaiian Rehabilitation Fund (NHRF) funds on behalf of native Hawaiian groups.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs. Ka Lahui Hawaii and a concerned individual opposed this measure.

Your Committee finds it appropriate to allow the Department of Hawaiian Home Lands to fund educational, economic, political, social and cultural processes aimed at improving and perpetuating the general welfare and conditions of native Hawaiians, even in circumstances where some individuals who are not native Hawaiian might benefit from NHRF-funded activities.

Your Committee has amended this measure as follows:

- (1) Deleting a reference to "other organizations controlled by native Hawaiians" for purposes of clarity, consistent with the testimony of the Department of Hawaiian Home Lands;
- (2) Inserting an effective date of February 30, 2050 to keep this measure alive while allowing an opportunity for further discussion; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2750, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2750, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes and Whalen.

**SCRep. 800 Judiciary & Hawaiian Affairs on S.B. No. 2817**

The purpose of this bill is to repeal administrative rules that are either null and void or unnecessary.

Your Committee received testimony in support of this bill from the Office of the Lieutenant Governor, the Department of Commerce and Consumer Affairs, the Department of Education, and the Department of Land and Natural Resources.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2817, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2817, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes, and Whalen.

**SCRep. 801 Legislative Management on S.B. No. 621**

The purpose of this bill is to appropriate funds to allow legislative hearings to be made available on the Internet in a streaming media format.

The League of Women Voters of Hawaii, Executive Assistant to the Governor and Special Advisor for Technology Development, and three concerned individuals testified in support of this measure.

Your Committee finds that the unique feature of the streaming media format is that it allows legislative hearings to be accessed and viewed at any time by the viewer over the Internet.

S.B. No. 2254, S.D. 1, a bill very similar to this one, was passed out of the Senate this legislative session and referred to your Committees on Legislative Management and Finance. S.B. No. 2254 originally appropriated \$40,000 to provide audio and video streaming media format of the legislative proceedings over the Internet. However, the Senate Ways and Means Committee amended S.B. No. 2254 by removing the appropriation amount.

Nevertheless, your Committee would prefer to move out S.B. 621, S.D.2, since it was previously heard and not opposed during the public hearing held last year. Your Committee believes that \$40,000 is a workable amount to fund this project and respectfully urges your Committee on Finance to consider this funding amount.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 621, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 802 Higher Education on S.B. No. 2069**

The purpose of this bill is to appropriate funds to the Research Corporation of the University of Hawaii for the Hawaii Educational Policy Center (HEPC) to prepare and distribute original research, reports, and summaries of existing research on education policy in Hawaii.

The University of Hawaii and HEPC submitted testimony in support of this bill.

Your Committee finds that HEPC provides timely and objective reports on educational topics of legislative interest. Funding HEPC's research serves a direct public interest as this research allows the Legislature to make more informed decisions on education legislation.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2069, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kahikina, Ontai, and Stonebraker.

#### **SCRep. 803 Higher Education on S.B. No. 2457**

The purpose of this bill is to appropriate funds to the Department of Anatomy and Molecular Biology at the University of Hawaii (UH) to conduct research on mouse embryos to develop novel techniques for deriving mouse embryonic stem cells.

The John A. Burns School of Medicine submitted testimony in support of the intent of this bill.

Your Committee finds that the mouse cloning research team at UH is world-renowned for its success and is considered a world leader in its field. Not only does this work provide recognition for UH and the State, but it also holds immense promise for future therapeutic use in humans.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2457, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kahikina, Ontai, and Stonebraker.

#### **SCRep. 804 Energy & Environment Protection on S.B. No. 2516**

The purpose of the bill is to encourage the development of cogeneration facilities on the island of Hawaii by:

- (1) Re-authorizing the issuance of refunding special purpose revenue bonds for those projects;
- (2) Extending the previous authorization to issue special purpose revenue bonds from June 30, 2003, to June 30, 2007; and
- (3) Limiting scope of the projects for which the special purpose revenue bonds are issued to just cogeneration facilities.

Hui Enekinia Hawaii testified in support of the bill.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2516, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.  
(Representatives Hale, Jaffe and Thielen voted no.)

#### **SCRep. 805 Labor & Public Employment on S.B. No. 2787**

The purpose of this bill is to raise from \$1,250 to \$2,000, the guaranteed monthly compensation ceiling for those exempted from the State's wage and hour law.

The Department of Labor and Industrial Relations and ILWU Local 142 testified in support of this measure. Roberts Hawaii testified in opposition to this measure.

Hawaii's wage and hour law was originally established to safeguard existing minimum wage and maximum hour standards to maintain the health, safety, efficiency, and general well-being of workers. The current limit is only \$1,250 per month, which essentially means only persons earning under \$7.23 per hour have minimum wage and overtime protection under state law. This bill corrects this inequity by enabling individuals with salaries under \$2,000 per month to receive minimum wage and overtime protection.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2787, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

#### **SCRep. 806 Labor & Public Employment on S.B. No. 3010**

The purpose of this bill is to enable individuals who:

- (1) After June 30, 2002, have at least 10 years of credited service as a firefighter and are deemed permanent medically disqualified to be a firefighter by the employer's physician; and
- (2) Continue employment in a class A or B contributory position other than a firefighter, to have a retirement allowance of 2.5 percent of the individual's average final compensation upon retirement.

The Hawaii State Firefighters Association, Honolulu Fire Department, State Fire Council, City and County of Honolulu Department of Human Resources, and Honolulu Police Department testified in support of this measure. The Employees' Retirement System commented on this measure.

Firefighters are in a dangerous profession, which brings them into contact with chemicals, smoke, and a number of pathogens on medical responses. Personal protective devices can only offer protection from these dangers to a limited extent. Exposure to these dangers may produce disabilities in firefighters that do not allow them to continue their work as a firefighter, but does not preclude them from performing any other government service to continue to serve their community.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3010, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki.

#### **SCRep. 807 Labor & Public Employment on S.B. No. 2078**

The purpose of this bill is to require the Employees' Retirement System (ERS) to pay interest on pensions that are not processed and issued within 90 days of a member's retirement.

The ERS commented on this measure.

Your Committee finds that if a new retiree must wait 90 days for retiree's initial retirement check, the retiree could face undue hardship while attempting to pay for living and housing expenses unless the retiree has other sources of savings. Under these circumstances, the retiree may have to make difficult decisions between buying food or medicine or paying the rent. Your Committee finds that it is not unreasonable to require the ERS to pay interest on pensions that are not processed and issued within 90 days.

However, your Committee understands the concerns raised by ERS regarding the amount of interest to be paid to pensioners should the processing and issuing of pensions exceeds 90 days.

Accordingly, your Committee has amended this measure by:

- (1) Changing the interest rate percentage from eight percent to a blank percent to facilitate further discussion;
- (2) Changing the effective date from July 1, 2002, to July 1, 2020, to facilitate further discussion; and



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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2078, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2078, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 808 Labor & Public Employment on S.B. No. 2757**

The purpose of this bill is to continue efforts to reform the civil service system by:

- (1) Extending the sunset date for the Separation Incentive Program (Program) to June 30, 2008; and
- (2) Moving up the effective date of Act 253, Session Laws of Hawaii 2000 (Act 253), to accommodate jurisdictions that are ready to implement their respective changes prior to July 1, 2002.

The Department of Human Resources Development (DHRD) testified in support of this measure.

Act 253 was enacted to reform Hawaii's civil service system. The implementation of Act 253 appears to be moving ahead of schedule, and its provisions should be put into place before July 1, 2002. To avoid any overlap or gaps in the implementation process among the various jurisdictions throughout the State, the directors of these jurisdictions are seeking expedited implementation flexibility.

Although your Committee understands DHRD's concerns about these implementation overlaps and gaps, by the time this measure completes the legislative process, only 1-1/2 to 2 months will remain before July 1, 2002, the present effective date.

Your Committee finds, however, that the amendment extending the sunset date of the Program is prudent as this Program has only seen limited application over the last year.

Accordingly, your Committee has amended this measure by:

- (1) Deleting provisions that would have given jurisdictions the flexibility to implement their respective changes prior to July 1, 2002; and
- (2) Changing the effective date to take effect upon approval.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2757, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 809 Water & Land Use on S.B. No. 2701**

The purpose of this bill is to enable the Bureau of Conveyances (Bureau) to more readily distinguish between legitimate and frivolous financing statements by assuring that the filing of financial statements are authorized by the debtors.

The Attorney General, the Department of Land and Natural Resources, and the Commission to Promote Uniform Legislation testified in support of this measure.

Under Act 241, Session Laws of Hawaii 2000, it is not possible for the Bureau to recognize and prevent the filing of counterfeit financing statements because the requirement for the debtor's signature was deleted which removed the most effective means for the Bureau to recognize when financing statements were filed with ill intentions or frivolous purposes.

Your Committee finds that there is a serious problem of persons filing frivolous financing statements each year and that these actions have had a seriously disruptive effect on members of the public.

Your Committee has amended this measure by:

- (1) Deleting the phrase, "A BILL FOR AN ACT", that was inadvertently included in the title of the bill; as amended, the title reads: "RELATING TO THE PREVENTION OF THE FILING OF FRIVOLOUS FINANCING STATEMENTS"; and
- (2) Making other technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2701, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2701, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito, Morita, and B. Oshiro.

**SCRep. 810 Higher Education on H.C.R. No. 48**

The purpose of this concurrent resolution is to request the Governor and the President of the University of Hawaii (UH) to establish sister-state educational, cultural, and economic exchanges between Hawaii and the Province of Ilocos Sur in the Republic of the Philippines.

UH and Ilocos Surian Association of Hawaii submitted testimony in support of this measure.

Your Committee finds that establishing ties between nations as this measure proposes enriches the cultures of both countries. Creating a sister-state relationship between Hawaii and the Ilocos Sur Province will enhance both parties' understanding and appreciation of each other and provide economic benefits to both.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 48 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kahikina, Ontai, and Stonebraker.

**SCRep. 811 Economic Development & Business Concerns on H.R. No. 62**

The purpose of this resolution is to recognize the award-winning planning of the city of Kapolei, which was designed to take businesses into the information age, by designating Kapolei as "The E-Commerce City of O'ahu."

Your Committee received testimony in support of this measure from Kapolei Property Development LLC and a resident of west Oahu.

Your Committee finds that the new city of Kapolei deserves recognition and that its planning and design were awarded the National Developer of the Year Award from the National Association of Industrial and Office Properties. This was the first such award for Hawaii, and it recognized that Kapolei was designed to be a community rather than just a collection of buildings.

Your Committee notes that planning for Kapolei included the original area residents, neighborhood boards and schools, and government officials and agencies. The Kapolei area contains the State's largest industrial park and a new business park, and is totally wired to support technology companies and other global businesses.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 62 and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 812 Economic Development & Business Concerns on H.C.R. No. 96**

The purpose of this concurrent resolution is to recognize the award-winning planning of the city of Kapolei, which was designed to take businesses into the information age, by designating Kapolei as "The E-Commerce City of O'ahu."

Your Committee received testimony in support of this measure from Kapolei Property Development LLC and a resident of west Oahu.

Your Committee finds that the new city of Kapolei deserves recognition and that its planning and design were awarded the National Developer of the Year Award from the National Association of Industrial and Office Properties. This was the first such award for Hawaii, and it recognized that Kapolei was designed to be a community rather than just a collection of buildings.

Your Committee notes that planning for Kapolei included the original area residents, neighborhood boards and schools, and government officials and agencies. The Kapolei area contains the State's largest industrial park and a new business park, and is totally wired to support technology companies and other global businesses.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96 and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 813 Transportation on S.B. No. 2310**

The purpose of this bill is to allow custom-made motorcycles to be registered with the Department of Motor Vehicles by:

- (1) Clarifying the definition of "vehicle identification number;" and
- (2) Allowing the county director of finance to identify and register a reconstructed vehicle by assigning it an identification number other than the federal vehicle identification number.

The Chair of the Hawaii County Council, Na Kane O Ka Lio Hao Motorcycle Club, Street Bikers United-Hawaii, Vietnam Vets/Legacy Vets Motorcycle Club, Ellsworth Custom Cycles, and numerous motorcycle owners testified in support of this measure. The Department of Transportation (DOT) supported the intent of the bill. The Honolulu Police Department testified in opposition to

this measure. The Department of Customer Services of the City and County of Honolulu and State Farm Insurance Companies commented on this measure.

The lack of a definition for "vehicle identification number" in section 286-45, Hawaii Revised Statutes, has disrupted the registration and taxing of custom motorcycles on the island of Hawaii, creating financial difficulties for motorcycle owners and some small businesses. Problems began when attempts were made by the County of Hawaii to comply with a DOT memo that interpreted the term "vehicle identification number" to mean the federal vehicle identification number. However, there is no requirement specified in current law.

Although several testifiers raised concerns regarding safety and theft issues, your Committee feels that utilization of unique Manufacturer's Statement of Origin (MSO) identification numbers for custom motorcycle frames, engines, and transmissions would be sufficient for vehicle registration and feels that adequate safeguards are in place to ensure the safety of after-market products.

However, your Committee feels that further clarification of the definition of "vehicle identification number" is needed and has amended this definition to apply to reconstructed vehicles, special interest vehicles, or motorcycles.

Other technical, nonsubstantive amendments were also made for style and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2310, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2310, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

#### **SCRep. 814 Transportation on S.B. No. 3060**

The purpose of this measure is to improve bicycle safety by providing bicycle safety education classes for fourth grade students in Hawaii.

A number of concerned citizens testified in support of this measure. The Department of Transportation (DOT) and Department of Education testified in support of the intent of this measure.

Thousands of children throughout Hawaii ride bicycles for pleasure and transportation. Unfortunately many children receive bicycle-related injuries, many of which are preventable. Your Committee feels that through proper bicycle education courses that teach students how to handle a bicycle and avoid potential dangers on roadways, these injuries can be prevented or mitigated.

Your Committee would like to note that this measure is necessary for DOT to receive federal matching funds to administer statewide children's bicycle education courses. No state funds will be expended under this bill as your Committee was informed that the counties have provided both written and oral confirmation of their willingness to provide local matching funds to provide these bicycle safety education classes.

Moreover, your Committee discussed whether the legislative intent of this measure would allow the bicycle education classes to be offered outside of the regular school day if the school chose to do so. Further discussion on this issue is warranted.

Your Committee has amended this measure by changing the effective date from July 1, 2002, to July 1, 2025, to facilitate further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3060, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3060, S.D. 1, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

#### **SCRep. 815 Labor & Public Employment on S.B. No. 2111**

The purpose of this bill is to:

- (1) Allow negotiating parties to agree that non-cost items are valid and enforceable through written agreement; and
- (2) Move the reference to agreements taking precedence over rules and policies to section 89-19, Hawaii Revised Statutes.

The Office of Collective Bargaining and Hawaii Government Employees Association commented on this measure.

In collective bargaining, it is common that concessions of cost items be traded off against reciprocal concessions on non-cost items. In many cases, this may be the only way to reach an agreement and avoid a strike. Unfortunately, recent amendments to the collective bargaining law have made these trade-offs between cost items and non-cost items difficult. By granting the negotiating parties the flexibility to agree that non-cost items are valid and enforceable, collective bargaining will be more effective.

However, your Committee feels that moving the reference to agreements taking precedence over rules and policies from section 89-10 to 89-19 is unnecessary and has amended this bill by deleting this provision.

Your Committee has also amended this measure by changing its effective date to July 1, 2010, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2111, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

#### **SCRep. 816 Water & Land Use on S.B. No. 2869**

The purpose of this bill is to complete the Kohala Historical Sites State Monument (Monument) project, as contemplated by Act 166, Session Laws of Hawaii 1992 (Act 166), by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to use its powers of eminent domain to acquire lands adjacent to the Monument; and
- (2) Authorizing Mo'okini Luakini Corporation to protect and care for the Mo'okini Heiau.

The Mo'okini Luakini Foundation supported this measure. DLNR commented on this bill.

Your Committee finds that the acquisition of certain lands is necessary to provide buffer protection and public access to the Monument and, as contemplated by Act 166, will preserve its historical setting, cultural landscape, and view corridors.

Considering the current financial situation of the State, your Committee directed DLNR to pursue the acquisition of the required lands by any feasible means, including exchange.

Your Committee has amended this measure by:

- (1) Deleting the appropriation provisions; and
- (2) Changing the effective date to July 1, 2002.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2869, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2869, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, B. Oshiro.

#### **SCRep. 817 Health on S.B. No. 2904**

The purpose of this bill is to assist the residents of the Waianae Coast by appropriating funds as a grant-in-aid to the City and County of Honolulu for a second ambulance to service the area.

The Department of Health (DOH), Waianae Coast Comprehensive Health Center, American Medical Response, and a concerned citizen testified in support of this measure.

DOH recognizes Waianae as the highest priority of four areas identified as being in need of additional ambulance service. Currently, only one ambulance services a community consisting of over 40,000 residents. There can be up to a 40-minute wait for another ambulance when the Waianae unit is out on a call.

Your Committee recommends that the second ambulance be located in Nanakuli.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2904, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae, and Stonebraker.

#### **SCRep. 818 Health on S.B. No. 2052**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds (SPRBs) to assist Hawaii Pacific Health (HPH) and its not-for-profit affiliates in the acquisition or construction of health care facilities, renovation of existing facilities, acquisition of land, equipment, and technology, and other capital-related projects.

The Chamber of Commerce of Hawaii and HPH submitted testimony in support of this measure.

HPH is a new health system formed by the recent merger of Kapiolani Hospitals, Straub Hospital and Clinic, and Wilcox Hospital. As a result of the merger, HPH is now the largest health care delivery system in the State. Some of HPH's major projects include providing equipment and improvements to the Heart Center at Straub, nurseries at Kapiolani Women and Children's Center, and construction of a Diagnostic Center for Wilcox Hospital on Kauai so that patients may be treated without having to travel to Honolulu.

Your Committee has amended this bill by:

- (1) Repealing the provision that prohibits the issuance of SPRBs after June 30, 2003;
- (2) Changing the lapsing date of the SPRBs for HPH to June 30, 2007; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2052, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae, and Stonebraker.

#### **SCRep. 819 Health on S.B. No. 2591**

The purpose of this bill is to assist the Hana community on Maui by:

- (1) Appropriating funds for a grant-in-aid to the Hana Community Health Center (Center); and
- (2) Establishing a one-year pilot project within the Center to provide services to *Felix*-class children in the area.

Several members of the Maui County Council submitted testimony in support of this measure. The Center and several individuals testified in support of this measure with amendments. The Department of Health submitted comments.

Your Committee finds that the Center is the only health care provider in the Hana district. Recently, the Center was awarded a grant to provide, among other services, behavioral health services. Hana has a relatively high rate of students, approximately 25 percent, who qualify for services under the *Felix* consent decree.

Most of the testimony submitted supported the appropriation of funds to the Center, but opposed portions of the measure related to the establishment of the pilot project. Your Committee recognizes the importance of appropriating funds to the Center, but does not believe that a pilot project is necessary at this time.

Accordingly, your Committee has amended this bill by:

- (1) Removing all references to the establishment of the pilot project;
- (2) Changing the effective date to July 1, 2002; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2591, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae and Stonebraker.

#### **SCRep. 820 Health on S.B. No. 2781**

The purpose of this bill is to improve the State Comprehensive Emergency Medical Services System by:

- (1) Establishing a trauma registry for the collection of information concerning the treatment of critical trauma patients at state-designated trauma centers to be implemented and maintained by the Department of Health (DOH);
- (2) Allowing the recording of information concerning treatment received before and after a trauma patient's admission to a hospital or medical center; and
- (3) Requiring all state-designated trauma centers to submit to DOH periodic reports of each patient treated for trauma in the state system.

DOH testified in support of this measure. The Disability and Communication Access Board submitted testimony supporting the intent of this measure.

A trauma registry will assist in obtaining information for continuous quality improvement of ground ambulance services, referring medical facilities, aeromedical service, and trauma centers. The registry will also provide information to assess prevention control strategies.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2781, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae and Stonebraker.

**SCRep. 821 Health on S.B. No. 2106**

The purpose of this bill is to ensure that marriage and family therapists continue to be regulated by:

- (1) Repealing the sunset date for marriage and family therapists; and
- (2) Authorizing the Director of Commerce and Consumer Affairs to enter into reciprocity agreements to issue licenses to marriage and family therapists licensed in other states.

Hawaii Association for Marriage and Family Therapy, Hawaii Nurses' Association, and numerous individuals testified in support of this measure. The Department of Commerce and Consumer Affairs and Christian Science Committee on Publication for Hawaii submitted comments.

Your Committee finds that marriage and family therapists provide valuable services to the community, including *Felix* class children. Removing the sunset provision will allow the therapists to continue to be regulated and ensure the quality of services being provided.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2106, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2106, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kahikina, Auwae, and Stonebraker.

**SCRep. 822 Health and Human Services and Housing on S.B. No. 2944**

The purpose of this bill is appropriate funds to assist individuals who are uninsured to obtain health care through nonprofit community-based health-care providers.

Waianae Coast Comprehensive Health Center and Healthcare Association of Hawaii testified in support of this measure. The Department of Health supported the intent of this measure.

Your Committees find that previously, Hawaii's uninsured population was estimated at below 5 percent. However, various factors such as changing economic conditions have contributed to an estimated 10 percent of the population being uninsured. Community health centers are effective in providing comprehensive services to residents of poor and disadvantaged communities.

Your Committees have amended this bill by:

- (1) Inserting an appropriation amount of \$1 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2944, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2944, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae, and Stonebraker.

**SCRep. 823 Judiciary & Hawaiian Affairs on S.B. No. 3040**

The purpose of this bill is to require that all nonpublic information, not only nonpublic financial information of a captive insurance company, be treated as confidential by the Insurance Commissioner (Commissioner).

Testimony in support of this measure was submitted by the Insurance Division of the Department of Commerce and Consumer Affairs. The Office of Information Practices (OIP) provided testimony in opposition to this bill.

Your Committee finds that the design and structure of a captive insurance program is unique to each captive. In many cases the design and structure is proprietary information, which if disclosed, may result in competitive harm to the captive and its owner. Requiring the Commissioner to treat all nonpublic captive insurance company information as confidential will help ensure the fiscal viability of captive insurance programs.

Your Committee recognizes the concerns expressed by OIP, but believes that this measure does not constitute a true confidentiality statute. Under this bill, the Commissioner retains the discretion to disclose nonpublic information upon determining that the interest of policyholders, shareholders, or the public will be served.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3040, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3040, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes, and Meyer.

**SCRep. 824 Consumer Protection & Commerce on S.B. No. 2885**

The purpose of this bill is to provide that a wireless telecommunications provider may reasonably segregate taxable income according to whether the income is subject to:

- (1) The general excise tax under chapter 237, Hawaii Revised Statutes (HRS);
- (2) The public service company tax under chapter 239, HRS; or
- (3) A specific provision of either chapter 237 or 239, HRS,

so long as the segregation method does not conflict with rules adopted by the Department of Taxation (DOTAX).

Testimony in support of this measure was submitted by AT&T, Sprint PCS, Verizon Wireless, and Oceanic Communications. Verizon Hawaii testified in support of the intent of this bill. DOTAX and the Tax Foundation of Hawaii provided comments.

Your Committee finds that the telecommunications industry is rapidly changing and that the quickly converging technology is erasing historical distinctions between cable television, the telephone, and the Internet. The metamorphosis of the industry has caused once separate bills for different types of telecommunications services to be bundled and billed together under a single package. Telecommunications service providers bundle interstate, intrastate, and international telecommunications services and charge one rate, while these types of services are subject to different taxes. This has caused uncertainty in the application of existing state and local taxing schemes.

Your Committee concludes that telecommunications service providers should be allowed to reasonably segregate taxable income. This will reduce regulatory burdens on providers and allow accurate taxation without changing a provider's tax obligations.

However, to address concerns raised by DOTAX, your Committee has amended this measure:

- (1) To assure providers that DOTAX will not apply rules retroactively to invalidate a provider's segregation method, by clarifying that segregation must be in conformance with rules subsequently adopted by DOTAX; and
- (2) By changing the effective date from July 1, 2050, to July 1, 2002.

Technical, nonsubstantive amendments have also been made for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2885, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2885, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes, and Meyer.

**SCRep. 825 Consumer Protection & Commerce on S.B. No. 2724**

The purpose of this measure is to streamline real estate regulatory requirements by:

- (1) Authorizing reciprocity agreements with other states to reduce regulatory requirements for out-of-state licensees who have met licensing requirements equivalent to those of Hawaii;
- (2) Repealing duplicative Real Estate Commission (Commission) regulation of limited-equity housing cooperatives, which are already regulated under other state, county, and federal laws;
- (3) Allowing principal brokers to delegate management and supervisory duties to brokers-in-charge while retaining accountability for performance of these duties; and
- (4) Repealing duplicative fidelity bond requirements for condominium managing agents who are active, licensed real estate brokers in good standing.

The Hawaii Association of Realtors testified in support of this measure. The Commission supported the measure and suggested an amendment.

Your Committee finds that this bill is a continuation of the government's Slice, Waste and Tape (SWAT) Project to reduce regulatory burdens on businesses, the general public, and state government. Your Committee supports the SWAT initiative, but has concerns regarding the potential negative impact reciprocity agreements may have on the local real estate industry.

Your Committee has amended this measure by:

- (1) Eliminating the Commission's authority to enter into reciprocity agreements and all related provisions; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.B. No. 2724, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2724, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes, and Meyer.

#### **SCRep. 826 Agriculture on S.B. No. 2345**

The purpose of this bill is to preserve, protect, and increase the yield of taro cultivation by appropriating an unspecified amount for research on diseases and other problems affecting taro cultivation throughout the State.

The Office of Hawaiian Affairs, and a concerned individual supported this measure. The University of Hawaii College of Tropical Agriculture and Human Resources supported the intent of this bill.

The yield and quality of taro has dramatically declined due to diseases and pests. Your Committee finds that the problems threatening this culturally significant and important food source plant in the Hawaiian community must be addressed and resolved.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2345, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

#### **SCRep. 827 Agriculture on S.B. No. 2121**

The purpose of this bill is to appropriate an unspecified amount of funds for papaya research to include:

- (1) Selection, segregation, and micropropagation of high performing Laie Gold Lines papaya varieties;
- (2) Production of the top 25 lines for field tests; and
- (3) Field tests at three different locations to assess performance of these top 25 lines.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, Kahuku Brand Matsuda-Fukuyama Farms, Inc., and several concerned individuals. The Department of Agriculture commented on the bill.

Your Committee finds that this bill will provide needed research assistance that will serve to identify high-performing plants for Hawaii's papaya industry, which has been adversely affected by the papaya ring spot virus.

Your Committee has amended this measure by:

- (1) Specifying \$60,000 as the amount to be appropriated for papaya research; and
- (2) Requiring a one-to-one match of funds appropriated in this bill by funds from other sources; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2121, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

#### **SCRep. 828 Agriculture on S.B. No. 2131**

The purpose of this bill is to appropriate an unspecified amount of funds for Molokai Irrigation System (System) repairs and upgrades. To achieve this purpose, this bill repeals language designating the appropriation for the identification of new water sources for the System and replaces it with provisions for new equipment and motor vehicles for the repair and upgrade of the System as follows:

- (1) New telemetry system;
- (2) New meters at reservoir (2);
- (3) Replacement of isolation valves (4);
- (4) Bobcat; and



- (5) 4x4 vehicles (2).

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and three members of the Maui County Council. The Department of Agriculture and the Department of Hawaiian Home Lands supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Removing references to the specific items for which the funds appropriated are to be used;
- (2) Providing that the funds appropriated by this bill are to be used for System improvements including but not limited to irrigation infrastructure and equipment; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2131, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2131, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

#### **SCRep. 829 Agriculture on S.B. No. 2132**

The purpose of this bill is to appropriate funds for agricultural research and development at the Hawaii Agricultural Research Center (HARC).

The Hawaii Leeward Planning Conference and a concerned individual supported this bill. The Department of Agriculture, Hawaii Farm Bureau Federation, HARC, Maui County Farm Bureau, Hawaii Crop Improvement Association, Hawaii Papaya Industry Association, Land Use Research Foundation of Hawaii, Hawaiian Commercial & Sugar Company, Sweet Aloha Farms LLC, Pineapple Growers Association of Hawaii, Hawaii Forest Industry Association, and several individuals testified in support of the intent of this measure and requested that the appropriation amount be included in the bill. The Dean of the College of Tropical Agriculture and Human Resources commented on this measure.

Your Committee finds that Hawaii's agricultural industry has become diverse as prime agricultural land becomes available and quarantine restrictions are overcome. Moreover, all sectors of agriculture are working together to accelerate the expansion of the agricultural industry, increasing its importance as a viable "second" industry in the fragile Hawaiian economy.

This bill further encourages agricultural research and development through the promotion of cost sharing between the public and private sectors while maintaining current minimum levels of agricultural research and development at HARC. Your Committee finds that funding is necessary in order to continue agricultural diversity and further the promise of a rejuvenated agricultural industry.

Accordingly, your Committee has amended this measure by:

- (1) Inserting the appropriation amount of \$1,000,000 for fiscal year 2002-2003 to fund agricultural research and development at HARC; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2132, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2132, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

#### **SCRep. 830 Agriculture on S.B. No. 2931**

The purpose of this bill is to authorize the issuance of \$80,500,000 in general obligation (GO) bonds to finance various agricultural irrigation projects on the islands of Maui, Kauai, Hawaii, Molokai, and Oahu.

Testimony in support of this measure was submitted by the Hawaii Farm Bureau Federation, Hawaii Leeward Planning Conference, Kauai County Farm Bureau, and the Land Use Research Foundation of Hawaii. The Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, MacFarms of Hawaii, and Hawaii Macadamia Nut Association supported the intent of this bill. The Pineapple Growers Association of Hawaii offered comments.

Your Committee recognizes that the survival of Hawaii's agriculture is dependent on a reliable system of irrigation. However, various testifiers, including the Department of Agriculture, have indicated that a reduced funding level may be more appropriate.

In light of these comments, your Committee has amended this measure by deleting its contents and replacing it with the issuance of \$40,285,000 in GO bonds to finance eleven agricultural irrigation projects statewide, provided that \$5,000,000 in federal matching funds are included in the appropriation.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2931, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2931, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 831 Economic Development & Business Concerns on S.B. No. 2829**

The purpose of this bill is to extend the general excise tax (GET) benefits of those who are blind, deaf, or totally disabled by applying:

(1) The 0.5 percent GET rate given to corporations owned by individuals who are blind, deaf, or totally disabled, to:

(A) Partnerships all of whose partners are blind, deaf, or totally disabled; and

(B) Limited liability companies all of whose members are blind, deaf, or totally disabled;

and

(2) The \$2,000 GET exemption for blind, deaf, or totally disabled persons to all three of these business entities above.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2829, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

**SCRep. 832 Transportation on S.B. No. 2601**

The purpose of this bill is to authorize and regulate the use of mobility devices.

Specifically, this bill:

(1) Defines the term "mobility device";

(2) Regulates the use of the "mobility device" under the traffic code; and

(3) Restricts their use to government entities, businesses, and persons with mobility-related disabilities.

Segway LLC testified in support of this measure. The Honolulu Police Department (HPD) opposed this bill. The Department of Transportation (DOT) commented on this measure.

An electric personal assistive mobility device (EPAMD), best known as the Segway Human Transporter, is a self balancing, zero emission, electric powered transportation device that can travel as far as 17 miles on one charge and reach speeds of up to 12.5 miles per hour. These devices are currently being used and evaluated by the United States Postal Service, the National Park Service, the City of Atlanta, Michelin North America, Inc., GE Plastics, and Amazon.com. EPAMDs are expected to be available for consumer use by the end of 2002.

Although this technological apparatus appears to be one solution to combating traffic problems and pollution produced by internal combustion engine driven vehicles, this is a new device that does not fall neatly into any one category of vehicle currently regulated under state law. This is causing a dilemma with regards to the legality of where these devices can be used since they are technically not motor vehicles.

However, your Committee realizes the concerns raised by both DOT and HPD regarding safety issues for both the riders of these devices and the pedestrians and bike riders they may affect. Your Committee also feels that the term "mobility device" is broad and could be construed to include gas-powered mobility devices that are currently on the market. Accordingly, your Committee has amended this measure by:

(1) Changing the term "mobility device" to "electric personal assistive mobility device";

(2) Requiring that EPAMDs are to be driven on the sidewalks at no more than eight miles per hour;

(3) Requiring that EPAMD operators yield the right-of-way to any pedestrian;

(4) Changing the effective date from July 1, 2050, to upon its approval to facilitate further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2601, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 833 Transportation on S.B. No. 3049**

The purpose of this bill is to authorize the issuance of special facility revenue bonds to construct facilities for a ferry service between Iroquois Point and Ford Island to Aloha Tower and the Hilton Hawaiian Village Pier on Oahu.

The Department of Transportation (DOT) and Ford Island Development Group, LLC, testified in support of this measure. The Department of Budget and Finance commented on this bill.

Traffic congestion is a daily problem for all Oahu residents, especially those living on the Leeward Coast and in West Oahu. A number of alternatives to alleviate this congestion have been suggested in the past, and a ferry system appears to be the most viable option. Several trial runs of a ferry system had a positive response. Moreover, it appears that with increased housing developments in the Iroquois Point area in 2003, a ferry system would prove to be the most viable mode of transportation to downtown Honolulu. Your Committee feels that a ferry system would be an attractive alternative to using the H-1 freeway and would have a profound effect on the lives of the citizens of Leeward Oahu.

However, your Committee understands that facilities at Ford Island and the Hilton Hawaiian Village Pier are not under the jurisdiction of DOT and thus, special facility revenue bonds cannot be used to take advantage of those existing facilities. Accordingly, your Committee has amended this measure by:

- (1) Limiting the ferry service between West and East Oahu; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3049, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3049, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yoshinaga.

**SCRep. 834 Transportation on S.B. No. 2315**

The purpose of this measure is to require the seller (or transferor) of a motor vehicle to file an endorsed certificate of ownership with a county Director of Finance at the time of the transfer or sale of the motor vehicle.

Presently, the law requires the buyer (or transferee) of a motor vehicle to file an endorsed certificate of ownership with a county Director of Finance. This bill switches the burden of filing the endorsed certificate of ownership from the buyer to the seller of a motor vehicle.

The bill also requires a transferee of a motor vehicle in situations other than a voluntary sale or transfer (e.g. inheritance, devise, order in bankruptcy etc.) to file an endorsed certificate of ownership. Finally, the bill eliminates the requirement that a transferor of a motor vehicle give notice of the transfer to a county Director of Finance.

Your Committee has amended the bill by changing the recipient of the endorsed certificate of ownership from the Director of Finance to the Director of Commerce and Consumer Affairs. This change is made in order to allow further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2315, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2315, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Moses, Pendleton and Rath.

**SCRep. 835 Tourism & Culture on S.B. No. 2350**

The purpose of this bill is to promote the linkage between tourism and Hawaii's natural environment by distributing a portion of the revenues from the transient accommodation tax (TAT) to fund programs that support state parks and other activities that maintain Hawaii's natural environment.

Specifically, this bill:

- (1) Caps the share of the TAT deposited in the Tourism Special Fund at \$50,000,000 annually;
- (2) Requires the Hawaii Tourism Authority (HTA) to expend, from the \$50,000,000, at least \$1,000,000 annually on activities that support efforts to manage, improve, and protect Hawaii's natural environment and areas frequented by visitors;
- (3) Allocates 90 percent of any TAT revenue designated for the Tourism Special Fund in excess of \$50,000,000 annually to the State Parks Special Fund and allocates ten percent of any TAT revenue designated for the Tourism Special Fund in excess of \$50,000,000 annually to the Hawaii Statewide Trail and Access Program, up to a total of \$2,000,000 annually;
- (4) Requires the Department of Land and Natural Resources (DLNR) to develop a master plan in coordination with the HTA, for the expenditure of any excess TAT revenues as provided for in (3); and
- (5) Allocates any TAT revenue designated for the Tourism Special Fund in excess of \$52,000,000 annually to be deposited in the general fund;

In addition, this bill clarifies that:

- (1) Not more than three percent of the moneys in the Tourism Special Fund shall be used for administrative expenses, including \$15,000 for a protocol fund, and for the salaries and expenses of the Office of Tourism; and
- (2) Not more than ten percent of any moneys awarded under contract or agreement shall be used for administrative expenses, including all salaries and wages of the contractor or the contractor's employees.

DLNR, Hawaii Chapter of the Sierra Club, Hawaii's Thousand Friends, and Trust for Public Land supported this bill. The Department of Business, Economic Development, and Tourism, HTA, Hawaii Hotel Association, Hawaii Business Roundtable, Maui Hotel Association, Hawaii Activities and Tours Association, The Chamber of Commerce of Hawaii, Visitor Industry Coalition, Paradise Cruise, Ltd., and the Waikiki Improvement Association opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee recognizes the cultural and economic benefits of supporting our state parks and other natural resources. However, your Committee must also ensure that funds for the marketing and promotion of the tourism industry, which drives Hawaii's economy, are readily available, especially in light of the recent economic slowdown.

Accordingly, your Committee has amended this measure by:

- (1) Raising the cap of the share of TAT revenues deposited in the Tourism Special Fund to \$61,000,000 annually;
- (2) Deleting the provision allocating TAT revenues designated for the Tourism Special Fund in excess of \$52,000,000 annually, to the general fund;
- (3) Deleting the provision establishing that not more than ten percent of any moneys awarded under any contract or agreement shall be used for administrative expenses, including all salaries and wages of the contractor or contractor's employees;
- (4) Clarifying that the provisions relating to the allocations of excess TAT revenues designated for the Tourism Special Fund shall begin on July 1, 2002, and shall apply to any fiscal year; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2350, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford, Leong and Ontai.

#### **SCRep. 836 Health on S.B. No. 2024**

The purpose of this bill is to require the Department of Health (DOH) to submit a report to the Legislature on providing solutions to Hawaii's poor oral health.

DOH submitted testimony supporting the intent of this measure.

Your Committee has amended this bill by deleting its contents and inserting the substance of H.B. No. 2761, H.D. 1. As amended, this bill plans, develops and implements a comprehensive statewide strategy addressing oral health in the State by:

- (1) Requiring dental hygienists within DOH to provide comprehensive services to children in public school complexes including topical fluoride application, oral health screening, educational presentations, and case management services;
- (2) Appropriating funds to hire dental hygienists, supervisors, and administrative staff;
- (3) Appropriating funds for operating expenses;
- (4) Appropriating funds for oral health services for uninsured individuals in community health centers serving areas with higher rates of dental caries compared to the rest of the state;
- (5) Appropriating funds for school and community-based dental sealant programs;
- (6) Appropriating funds for community health centers that do not have facilities and equipment for oral health services; and
- (7) Appropriating funds to provide basic dental services for adults covered under the Medicaid and QUEST medical assistance programs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2024, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2024, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae and Stonebraker.

#### **SCRep. 837 Health on S.B. No. 2227**

The purpose of this bill is to appropriate funds to the Department of Health (DOH) to provide dental care services to uninsured residents on the islands of Kauai, Maui, and Hawaii.

The State Planning Council on Developmental Disabilities, Hawaii Primary Care Association (HPCA), Kauai Dental Health Task Force, Mental Health Association in Hawaii, Hana Community Health Center, Hawaii Dental Hygienists' Association, and numerous concerned individuals testified in support of this measure. DOH and the State Health Planning and Development Agency supported the intent of this measure.

Your Committee finds that access to dental care on the islands of Kauai, Maui, and Hawaii is limited compared to access to care on Oahu. Additionally, there are more uninsured individuals on the neighbor islands.

Your Committee's intent is for the funds appropriated to DOH to be directed to HPCA for implementation and to:

- (1) Have the majority of the funds go to individuals who need dental care with minimum administrative costs and with the greatest flexibility; and
- (2) Include community and rural health centers regardless of whether or not they are members of HPCA.

Your Committee has amended this bill by:

- (1) Removing references to district health offices; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2227, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae, and Stonebraker.

#### **SCRep. 838 Tourism & Culture on S.B. No. 2635**

The purpose of the bill is to clarify the duties and responsibilities of the board of directors (Board) of the Hawaii Tourism Authority (HTA).

Specifically, this measure:

- (1) Repeals the Office of Tourism (Office) within the Department of Business, Economic Development, and Tourism (DBEDT);
- (2) Repeals other tourism-related statutes pertaining to DBEDT; and
- (3) Assigns to the HTA Board the key functions that were formerly assigned to the Office.

The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority testified in support of the bill.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2635, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford, and Ontai.

#### **SCRep. 839 Tourism & Culture on S.B. No. 2421**

The purpose of this bill is to improve the operation and administration of the Hawaii Tourism Authority (HTA) by:

- (1) Amending the composition of its board of directors (Board);
- (2) Amending the powers and activities of the HTA; and
- (3) Establishing legislative oversight provisions to allow the Legislature better access to the operations of the HTA.

The Department of Business, Economic Development, and Tourism, Hawaii Hotel Association, Retail merchants of Hawaii, and Hawaii Attractions Association supported this bill. The national Association of Social Workers, Domestic Violence Clearinghouse and Legal Hotline, Waikiki Health Center, and Visitor Industry Coalition supported the intent of this measure. The HTA and the Hawaii Activities and Tours Association offered comments.

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

- (1) Inserting the substantive contents of H.B. No. 2195 which limits the salary level used in calculation the average final compensation of the Executive Director of the HTA, for retirement purposes, to the level set for state department heads in section 26-52(3), Hawaii Revised Statutes. This provision is retroactive to January 18, 2002;

- (2) Deleting the provision that no more than two members of the Board shall represent, be employed by, or be under contract to any industry represented on the Board;
- (3) Deleting the provision that the salary of the Executive Director of the HTA shall not exceed 15 percent of the authorized amount for the administrative expenses for the HTA;
- (4) Repealing the provision stating that HTA's Executive director shall be compensated at a salary level set by the Governor;
- (5) Allowing the HTA to enter into contracts and agreements for a period of up to ten years, subject to the availability of funds, instead of eight years;
- (6) Allowing the HTA the right to enter into contracts and agreements relating to product development and diversification issues with a focus for visitors;
- (7) Deleting the provision that no contract awarded for the promotion, development, and coordination of sports-related activities and events shall be for the purposes of contract administration or contract oversight, except in the case of a single event;
- (8) Allowing the HTA the right to enter into contracts and agreements relating to the promotion of Hawaii as a place for business meetings, conventions, and incentive travel;
- (9) Restoring the provisions that allow the HTA the right to enter into contracts and agreements relating to:
  - (A) Tourism public information and educational purposes; and
  - (B) Programs to monitor and investigate complaints about the problems resulting from the tourism industry;
 and
- (10) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2421, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2421, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford, and Ontai

#### **SCRep. 840 Tourism & Culture on S.B. No. 2709**

The purpose of this bill is to allow the Hawaii Convention Center to operate as a business by;

- (1) Providing the Hawaii Tourism Authority (HTA) the right to market, operate, manage, use, and maintain the Hawaii Convention Center;
- (2) Establishing the Convention Center Enterprise Special Fund (Enterprise Special Fund);
- (3) Establishing the Convention Center Facility Reserve Special Fund (Reserve Special Fund);
- (4) Appropriating an unspecified amount out of the Enterprise Special Fund to be expended by the HTA for the purposes of this bill;
- (5) Appropriating an unspecified amount out of the Enterprise Special Fund to be deposited into the Reserve Special Fund;
- (6) Appropriating an unspecified amount out of the Reserve Special Fund for the purposes of this bill;
- (7) Defining "convention center facility" and "convention center"; and
- (8) Clarifying that the Convention Center Authority has been repealed as of June 30, 2000.

The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority supported this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by inserting the following appropriation amounts:

- (1) \$40,300,000 out of the Enterprise Special Fund to be expended by the HTA for the purposes of this bill;
- (2) \$3,000,000 out of the Enterprise Special Fund to be deposited into the Reserve Special Fund; and
- (3) \$3,000,000 out of the Reserve Special Fund to be expended by the HTA for the purposes of this bill.

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

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2709, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Ontai.

**SCRep. 841 Tourism & Culture on S.B. No. 2331**

The purpose of this bill is to honor those who served in the Korean War by:

- (1) Formally reestablishing the Fiftieth Anniversary Commemoration of the Korean War Commission (Commission); and
- (2) Appropriating an unspecified amount of funds to carry out the functions of the Commission.

Testimony in support of this measure was submitted by the Aloha Chapter of The Chosin Few, 50<sup>th</sup> Anniversary Commemoration of the Korean War Steering Committee, Korean War Veterans Association, Hawaii Chapter No. 1, American Ex-Prisoners of War, Hawaii Chapter, 5<sup>th</sup> Regimental Combat Team, Korean War Veterans, Hawaii, a member of the Retired Officers Association; and two concerned citizens. The Department of Defense and Office of Veterans Services supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Restoring the appropriation amount of \$200,000; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2331, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2331, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Ontai.

**SCRep. 842 Water & Land Use on S.B. No. 2702**

The purpose of this bill is to transfer the responsibility for redeveloping the lands at Barbers Point, Oahu, from the Barbers Point Naval Air Station Redevelopment Commission (Commission) to the Hawaii Community Development Authority (HCDA). This bill also:

- (1) Establishes a mechanism to fund future operations; and
- (2) Provides capital improvement funding for two important projects.

HCDA, the Commission, Department of Business, Economic Development, and Tourism, Department of Hawaiian Home Lands, Committee on the Preservation of Historic Sites and Cultural Properties of the Oahu Council of Hawaiian Civic Clubs, Ahahui Siwila Hawaii O Kapolei, and two individuals testified in support of this measure. The University of Hawaii supported the intent of this bill. The State Representative from the 42<sup>nd</sup> District and two individuals offered comments, and one individual opposed this measure.

Upon further consideration, your Committee has amended this bill by deleting its substance, inserting the substance of H.B. No. 2444, H.D. 1, its companion bill, and making additional amendments. As amended, this bill, among other things:

- (1) Deletes the renaming of Barbers Point Harbor as Kalaeloa Barbers Point Harbor;
- (2) Deletes HCDA's authority to name and rename as part of its guidance policies. It is your Committee's intent that HCDA not rename any streets of significance within the Kalaeloa Community Development District (District);
- (3) Adds a Hawaiian cultural specialist to HCDA to vote on issues relating to the District; and
- (4) Deletes the appropriated amounts to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2702, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 843 Water & Land Use on S.B. No. 2794**

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to continue to transfer certain management and jurisdictional directives relating to aquatic resources from specific statutes to administrative rules. This bill makes permanent the amendments and repeals of certain fishing laws that were subject to the adoption of administrative rules to replace these statutes.

DLNR testified in support of this measure.

Prior to the enactment of Act 85, Session Laws of Hawaii 1999 (Act 85), any changes to Hawaii's fishing laws could only take place when the Legislature was in session. As a result, sound management techniques were often implemented in an untimely fashion, significantly limiting their effectiveness. Moreover, public hearings to amend these fishing laws were generally held in Honolulu. As a result, statewide public input was limited.

Act 85 eliminated this time-consuming and cumbersome process. Currently, DLNR can schedule statewide public hearings throughout the year to receive public input on changes to its administrative rules.

Your Committee has amended this bill by changing the effective date from June 29, 2050, to June 29, 2002.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2794, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2794, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

#### **SCRep. 844 Water & Land Use on S.B. No. 2808**

The purpose of this bill is to ensure better management and enhanced protection of water resources by authorizing the Commission on Water Resource Management (Commission) to determine appurtenant water rights under the State Water Code.

The Department of Land and Natural Resources and the Honolulu Board of Water Supply testified in support of this measure.

Currently, the Commission has exclusive jurisdiction and final authority on all matters relating to the implementation and administration of the State Water Code. However, according to the Hawaii Supreme Court, appurtenant rights are an incident of land ownership. The Court defined appurtenant water rights as the "rights to the use of water utilized by parcels of land at the time of their original conversion into fee simple lands."

Because the determination of appurtenant water rights is directly tied to a determination of rights in land, the Attorney General (AG) advised the Commission that it is not authorized to determine appurtenant rights since the Commission lacks authority to make determinations about rights in land. The AG advised that under current law, the courts are the proper forums to determine appurtenant water rights.

Your Committee believes that the Commission should be authorized to determine and quantify appurtenant water rights:

- (1) To protect the exercise of appurtenant rights; and
- (2) To allow the Commission to allocate water in water management areas and to determine instream flow standards.

Moreover, adjudicating appurtenant rights in the courts will probably be expensive and time consuming.

Your Committee has amended this bill by making technical, nonsubstantive amendments to conform to standard drafting conventions.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2808, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito, Morita and B. Oshiro.

#### **SCRep. 845 Water & Land Use on S.B. No. 2934**

The purpose of this bill is to strengthen the rights of the community regarding the licensing of liquor establishments by:

- (1) Requiring the Liquor Commission investigator to include in every report for an application of a license the possible adverse effects the establishment may have on the surrounding community; and
- (2) Expanding the definition of "special liquor district" to include areas designated by a county for historic preservation and residential protection.

The Ala Moana/Kakaako Neighborhood Board No. 11, McCully/Moiliili Neighborhood Board No. 8, Waikiki Citizen's Patrol (District 6, Sector 1 – West Waikiki/Hobron/Atkinson), and four individuals testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2934, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito, and Meyer.  
(Representatives Bukoski and Thielen voted no.)



**SCRep. 846 Water & Land Use on S.B. No. 2309**

The purpose of this bill is to require state-registered vessels and manual or sail propelled vessels to carry on-board, a properly functioning:

- (1) VHF-FM radio capable of communicating with the U.S. Coast Guard communication station, rescue aircraft, and vessels; or
- (2) Emergency position indicating radio beacon.

Requiring these vessels to be equipped with such communication devices when venturing beyond one mile from shore will:

- (1) Reduce boating-related fatalities;
- (2) Reduce the cost of search and rescue missions; and
- (3) Improve the safety of rescue personnel.

The Department of Land and Natural Resources, The Chamber of Commerce of Hawaii, Hawaii Boaters Political Action Association, and an individual testified in support of this measure.

Your Committee has amended this bill by:

- (1) Requiring all non-exempt vessels rather than just state-registered vessels and manual or sail propelled vessels to comply with these provisions;
- (2) Deleting the limitation that canoes, kayaks, training sailboats, surfboards, and paddleboards are exempt from the provisions only if they are accompanied by at least one vessel equipped with such communication devices; and
- (3) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2309, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2309, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 847 Water & Land Use on S.B. No. 2667**

The purpose of this bill is to broaden the authority of the Board of Land and Natural Resources to lease public lands for historic preservation and restoration projects by deleting the requirement that the lands may be leased for urban projects.

Hawaii's Thousand Friends testified in support of this measure. The Department of Land and Natural Resources (DLNR) supported this bill with amendments.

This measure will provide DLNR with greater flexibility when working with State-owned historic properties. DLNR will be able to consider historic preservation efforts in awarding public land leases. This will be useful for leasing fish ponds, taro loi lands, and rural historic buildings.

Your Committee has amended this bill by:

- (1) Exempting DLNR from the public notice and hearing requirements of chapter 91, Hawaii Revised Statutes, that would otherwise be necessary to conform Title 13, subtitle 10, chapter 223, Hawaii Administrative Rules, to the amendments of this measure. This exemption will save DLNR the cost of advertising and public meetings as well as staff time; and
- (2) Making technical, nonsubstantive amendments to correct technical drafting errors.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2667, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 848 Water & Land Use and Agriculture on S.B. No. 2242**

The purpose of this bill is to amend the provisions relating to public land leases by authorizing the Board of Land and Natural Resources (BLNR) to extend the term of an agricultural or industrial lease:

- (1) To allow the lessee to amortize the cost of substantial improvements to the property without institutional financing; and
- (2) Due to significant economic hardship directly caused by a natural disaster or eminent domain-related proceeding.

The Hawaii Farm Bureau Federation and a Councilmember of the Maui County Council testified in support of this measure. The Hawaii Agriculture Research Center supported the intent of this bill. The Department of Land and Natural Resources offered comments.

Among other things, this measure addresses the concerns of farmer lessees who are prevented from making improvements on their land near the end of the terms of their leases if they finance the improvements themselves. Currently, only improvements financed by a lender are eligible for lease extensions.

Your Committees have amended this bill by:

- (1) Replacing the reference to natural disaster with state disaster to be consistent with chapter 209, Hawaii Revised Statutes;
- (2) Authorizing BLNR to extend or modify a lease affected by an eminent domain-related proceeding, provided it determines that the lessee will not be adequately compensated pursuant to the lease provisions;
- (3) Requiring that the length of any lease extension resulting from a significant economic hardship shall not exceed five years; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2242, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2242, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.

#### **SCRep. 849 Water & Land Use and Agriculture on S.B. No. 2007**

The purpose of this bill is to authorize the counties to permit home occupations in the agricultural district without requiring a state special permit.

For the purposes of this public hearing, your Committees circulated a proposed H.D. 1 version that inserts additional provisions from H.B. No. 2662, H.D. 2, that:

- (1) Establishes standards, criteria, and a process for the identification of important agricultural lands (IAL);
- (2) Promotes the usage of the rural district to absorb development pressures currently directed at the agricultural district; and
- (3) Provides a one-time process to reclassify certain lands to the rural district.

Testifying in support of the proposed draft were the Office of Planning (OP) and Land Use Commission. The Department of Agriculture (DOA) and Hawaii Farm Bureau Federation supported this measure with amendments. The Hawaii Leeward Planning Conference, City and County of Honolulu Department of Planning and Permitting, Land Use Research Foundation of Hawaii, Hawaii Resort Developers Conference, Hawaii Reserves, Inc., The Estate of James Campbell, Grove Farm Company, Princeville Corporation, Hawaii's Thousand Friends, Sierra Club, Hawaii Chapter, and one individual opposed this measure. Seven individuals offered comments.

Testimony was also submitted on the S.D. 2 version. One individual supported this measure, and the County of Hawaii Planning Department and the City and County of Honolulu Department of Planning and Permitting supported its intent.

Your Committees have amended the proposed draft by:

- (1) Directing OP and DOA to conduct its first review of the IAL maps beginning in 2002;
- (2) Requiring that a copy of the special permit petition be sent to the Office of Environmental Quality Control for publication in its periodic bulletin;
- (3) Reinstating references to the soil productivity ratings of the Land Study Bureau in Part I to ensure that both IAL and A and B lands are protected; your Committees find that in some cases, lands with A and B rated soils are outside of the IAL boundaries;
- (4) Specifying that A and B lands, in addition to IALs, shall be retained in the agricultural district when OP conducts its one-time reclassification of lands from agricultural to the rural district;
- (5) Inserting the amount of \$50,000 for the one-time reclassification of lands from agricultural to the rural district; and
- (6) Clarifying the provisions relating to home occupations by:
  - (a) Allowing home occupations in a permitted single-family dwelling constructed on a lot prior to June 4, 1976;
  - (b) Allowing one employee for the home occupation;
  - (c) Requiring the county to coordinate with DOA in the development of standards and criteria; and

(d) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2007, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2007, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer, Ahu Isa, Takumi and Whalen.  
(Representative Rath voted no.)

**SCRep. 850 Judiciary & Hawaiian Affairs on S.B. No. 2445**

The purpose of this measure is to allow state and county boards and commissions subject to the Sunshine Law to conduct meetings by telephone conference.

The Hawaii Health Systems Corporation and three members of the Maui County Council testified in support of this bill. The High Technology Development Corporation testified in support with reservations. The Office of Information Practices testified in support but with some concerns.

Your Committee finds that visual communication enhances open decision-making because the public can observe, for example, members who are present during discussion and deliberation, but who make no oral remarks.

Your Committee has amended this measure by deleting provisions that would allow boards and commissions to opt to conduct meetings by telephone conference rather than by video conference. Recognizing technical difficulties that may arise during the course of a video conference, however, your Committee retained a provision permitting a board to vote to continue a video conference with audio communication only in the event that video communication cannot be maintained throughout the meeting.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2445, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2445, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki and Auwae.

**SCRep. 851 Judiciary & Hawaiian Affairs on S.B. No. 2909**

The purpose of this bill is to reduce solid and liquid waste levels at the State's landfill sites by requiring the counties to establish a program for recycling food waste.

Your Committee received testimony in support of this bill from the Department of Health, the Hawaii Chapter of the Sierra Club, Eco-Feed, Inc., and Hawaii's Thousand Friends. Testimony in opposition was received from the Hawaii Hotel Association. The Hawaii Food Industry Association submitted comments and a proposed amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki and Auwae.

**SCRep. 852 Judiciary & Hawaiian Affairs on S.B. No. 720**

The purpose of this bill is to prohibit exclusion from, denial by, and discrimination by county or county-funded programs against disabled persons because of their disabilities.

Currently, State law protects disabled persons from discriminatory practices by State or state-funded programs because of their disabilities. This bill extends this protection to the county level.

Your Committee received testimony in support of this bill from the Lieutenant Governor, Disability and Communication Access Board, State Planning Council on Developmental Disabilities, Hawaii Centers for Independent Living-East Hawaii, Mental Health Association in Hawaii, Hawaii Centers for Independent Living, Aloha State Association of the Deaf, Deaf of the Pacific Rim, Hawaii Services on Deafness, InterAgency Coordination Council Organization, and several concerned individuals. The Attorney General and the Hawaii Civil Rights Commission testified in support of the intent of the measure.

Your Committee has amended this bill by changing the effective date to January 1, 2003.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 720, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 720, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki and Auwae.  
(Representative Whalen voted no.)

**SCRep. 853 Energy & Environment Protection on S.B. No. 2898**

The purpose of this bill is to protect caves as unique cultural and natural resources of the State of Hawaii by:

- (1) Limiting or prohibiting certain uses and activities within the cave;
- (2) Establishing administrative and criminal penalties; and
- (3) Allowing a cave owner to require the Department of Land and Natural Resources to keep information regarding the cave and its resources confidential.

A member of the Maui County Council and Hawaii Leeward Planning Conference supported this bill. The Department of Transportation supported the intent of this measure. The Office of Hawaiian Affairs, Department of Land and Natural Resources (DLNR), and the Office of Information Practices submitted comments on this measure.

It is the intent of your Committee to strike a fair balance between the various competing interests in the protection of Hawaii's caves. Specifically, your Committee believes objectivity should be a primary criterion in determining whether information regarding a cave's location and resources should be confidential. Further, while construction activity in certain cases are exempt from liability under this bill, your Committee believes that the construction activity should still be subject to regulations.

Accordingly, your Committee has amended this measure by:

- (1) Providing that upon the request by a cave owner, DLNR shall determine whether disclosure of information regarding cave location or resources could reasonably be detrimental to protection of the cave and upon such determination, DLNR shall not disclose the information, except as permitted by section 92F, HRS;
- (2) Requiring exempt construction activities to adhere to cave protection mitigative measures disclosed through environmental review or land use permitting processes; and
- (3) Prohibiting reckless, rather than negligent, acts with respect to damaging a cave;
- (4) Eliminating provisions allowing the State to pursue civil legal action for violations of this chapter;
- (5) Amending language regarding fines imposed for violations of this chapter from \$250 to not less than \$250 nor more than \$1000 for a first conviction and from \$500 to not less than \$500 nor more than \$1000 for a second or subsequent conviction;
- (6) Adding language providing for cumulative penalties;
- (7) Making theft of funerary objects, including human bones, in caves, punishable as first degree theft, a B felony, punishable by up to a \$25,000 fine and 10 years imprisonment; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2898, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

#### **SCRep. 854 Energy & Environment Protection on S.B. No. 3063**

The purpose of this bill is to create long-term supplemental funding sources to protect the environment by establishing a program to develop environmentally-themed products such as collectible stamps, credit cards, and coins for sale to the public. Revenues would be deposited into the natural area reserve fund.

Hawaii's Thousand Friends and Sierra Club, Hawaii Chapter, supported this bill. The Department of Land and Natural Resources supported the intent of this bill.

Other states have used license plate sales, collectible stamps, and credit cards with great success as a way to raise money to protect the environment.

Your Committee has amended this bill by:

- (1) Deleting the provision that placed an unspecified percentage limitation on the direct costs of the program;
- (2) Clarifying that the revenues must benefit programs related to the environmental theme of the product sold; and
- (3) Making technical, nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3063, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3063, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 855 Energy & Environment Protection on S.B. No. 2615**

The purpose of this bill is to implement the recommendations of the Energy Efficiency Policy Task Force (Task Force) by:

- (1) Providing an income tax credit equal to an unspecified percentage of the actual cost of a renewable energy technology system or an unspecified dollar amount, whichever is less; and
- (2) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to provide and support efficiency and renewable energy education programs.

The Building Industry Association-Hawaii and Sierra Club, Hawaii Chapter supported this bill. The Task Force, DBEDT, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, PowerLight Corporation, Gas Company, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Tax Foundation of Hawaii, R&R Solar Supply, and a concerned individual commented on this measure. The Department of Taxation (DOTAX) opposed this bill.

Your Committee finds that the implementation of the recommendations of the Task Force are necessary to support increased energy efficiency and sustainability in Hawaii. In addition to other actions, your Committee believes that giving specific tax treatment to particular energy systems increases the overall effectiveness of the recommendations. Additionally, periodic evaluation of relevant data, encouraging the Public Utilities Commission (PUC) to support energy efficiency and renewable resources, education programs, and using available federal funds will ensure the attainment of the Task Force objectives and purposes.

Upon careful consideration, your Committee has amended this measure by deleting its substance and inserting provisions found in H.B. No. 2836, H.D. 2, which was reported out of your Committee and crossed over to the Senate earlier this session. The amendments to this bill include:

- (1) Establishing an Energy Efficiency Policy Review Commission to periodically review and evaluate, among other matter, whether the tax credits should be continued or enhanced based on impact and cost-benefit analyses;
- (2) Providing a renewable energy technologies income tax credit equal to the following percentage of actual cost of the indicated residential, multi-family, or commercial system:
  - (A) 35 percent for solar thermal;
  - (B) 20 percent for wind power; and
  - (C) 35 percent for photovoltaic;
- (3) Authorizing DOTAX to report to the Legislature annually on certain relevant tax credit information, including the number of qualified energy systems by technology and total cost of the tax credits to the State;
- (4) Requiring DBEDT to provide and support efficiency and renewable energy programs, including education programs;
- (5) Requiring PUC to support increased energy efficiency and renewable resources; and
- (6) Requiring the Department of Human Services to the greatest extent possible, use federal funds from low-income home energy assistance programs to install energy saving devices.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2615, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2615, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 856 Energy & Environment Protection on S.B. No. 2179**

The purpose of this bill is to improve energy management in state facilities by:

- (1) Providing incentives and goals; and
- (2) Requiring state agencies to comply with energy efficiency standards, strategies, criteria, and practices.

Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and a concerned citizen supported this bill. The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this measure. The Office of Environment Quality Control commented on this bill. The Department of Accounting and General Services opposed this measure.

Your Committee finds that the State government, which spends hundreds of millions of dollars annually for products and services, should lead by example in the promotion of energy efficiency, water conservation, usage of renewable energy resources, markets for emerging technologies, and employment and economic development opportunities.

Your Committee also finds that in addition to efficient energy management, the price of gasoline is another pivotal component in determining the future of the State's total energy situation. The cost of gasoline permeates through every aspect of Hawaii's energy economy from the petroleum manufacturer to the company or dealer operated gas station and finally to the ultimate payer, the people of Hawaii. Your Committee finds that the fact that no one in this State, resident or visitor, can escape the impact of the cost of gasoline, requires that this indispensable commodity be regulated.

Your Committee has amended this measure by:

- (1) Placing the Public-Private Advisory Committee in DBEDT for administrative purposes;
- (2) Authorizing Department of Accounting and General Services and the Department of Budget and Finance to exempt an agency from advertising and competitive bidding requirements to give the agency flexibility in structuring agreements, if appropriate:
  - (A) For projects with proprietary technology; or
  - (B) To meet the Legislature's goals;
- (3) Where ENERGY STAR-labeled energy efficient products are not available, giving an agency the discretion to select products in the upper 25 percent of energy efficiency as designated by the Federal Energy Management Program;
- (4) Deleting the sections repealing sections 36-4 and 103D-410, Hawaii Revised Statutes;
- (5) Requiring DBEDT to determine the maximum wholesale price of gasoline, on a quarterly basis, based on certain criteria, including the cost of a barrel of site-specific crude oil;
- (6) Prohibiting petroleum manufacturers or jobbers from selling gasoline to a dealer operated retail service station for more than the maximum wholesale price;
- (8) [sic] Providing for treble damages or \$500,000, whichever is greater, for violations by manufacturers or jobbers;
- (9) [sic] Providing for a price-readjustment procedure for manufacturers and jobbers; and
- (10)[sic] Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2179, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2179, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.  
(Representatives Bukoski voted no.)

#### **SCRep. 857 Energy & Environment Protection and Consumer Protection & Commerce on S.B. No. 2505**

The purpose of this bill is to address the apparent conflict of interest where an agency determines whether its proposed action requires an environmental impact statement (EIS) by authorizing the Office of Environmental Quality Control (OEQC) to review the determination, consult with the agency, and to make the final determination.

OEQC, Hawaii's Thousand Friends, Sierra Club-Hawaii Chapter, and Life of the Land supported this measure. The Department of Design and Construction of the City and County of Honolulu (C&C) submitted comments on this bill. The Board of Water Supply and the Department of Planning and Permitting of C&C opposed this measure.

For discussion purposes, a proposed H.D. 1 version was circulated at the public hearing. The proposed H.D. 1:

- (1) Requires an environmental assessment for any proposed wastewater facility, waste-to-energy facility, landfill, oil refinery, or power-generating facility;
- (2) Defines "power-generating facility";
- (3) Removes the requirement that OEQC publish the agency's determination upon receipt of the notice of the determination;
- (4) Authorizes OEQC to review an agency's determination, consult with the agency, and make a final determination; and
- (5) Requires OEQC to publish the final determination for public dissemination.

There may be circumstances when a government agency proposes an action and the same agency determines whether that action has a significant effect on the environment and would require an EIS. Your Committees find that this conflict of interest, in appearance or otherwise, is not acceptable and that OEQC should be authorized to review and override the agency's determination. The proposed H.D. 1 addresses this conflict of interest by enabling OEQC to review the agency's determination, consult with the agency, and make a final determination.

Your Committees also find that wastewater facilities, waste-to-energy facilities, landfills, oil refineries, or power-generating facilities located on private lands and without public funds will not trigger disclosure and review under chapter 343, Hawaii Revised Statutes. Recognizing that these types of projects may have significant environmental, economic, social, and cultural impacts, the proposed H.D. 1 closes this critical loophole.

Your Committees have amended this measure by incorporating the amendments found in the proposed H.D. 1.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2505, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2505, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hale, Ito, Meyer, Case, Souki, Yoshinaga, and Gomes.

**SCRep. 858 Economic Development & Business Concerns on S.B. No. 2831**

The purpose of this bill is to stimulate economic activity in residential construction by:

- (1) Extending the time during which construction qualifies for the credit;
- (2) Clarifying that the tax can be taken by the owner, developer, or lessee of the residential real property; and
- (3) Further defining the type of construction to which the credit applies.

Your Committee notes that the date to which the credit is extended has been left blank to ensure further discussion.

The Department of Taxation, The Land Use Research Foundation of Hawaii, Subcontractors Association of Hawaii, General Contractors Association of Hawaii, Armstrong Builders, Ltd., a consultant with the Ko Olina Resort and Marina, and a number of homeowners or prospective homeowners testified in support of this bill. The Department of Business, Economic Development & Tourism testified in support of the intent of the measure. The Tax Foundation of Hawaii commented on the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis, and Ontai.

**SCRep. 859 Economic Development & Business Concerns on S.B. No. 3061**

The purpose of this bill is to improve the economy by:

- (1) Issuing an unspecified amount of general obligation (GO) bonds to finance the establishment of facilities to process macadamia nuts and to manufacture and produce macadamia products;
- (2) Appropriating an unspecified amount of funds for the formulation of a strategic plan to make Hawaii the "Geneva of the Pacific" – a diplomatic setting for conflict resolution, multinational business, and multicultural relations;
- (3) Creating a statewide unifying entity of 17 members from the public and private sectors to create a strategic economic development plan and appropriating an unspecified amount of funds for its development;
- (4) Allowing firms enrolled in the Hawaii Enterprise Zones (EZ) Partnership program to use alternative means to calculate their average annual number of full-time employees to retain their eligibility for EZ tax benefits;
- (5) Clarifying the application of certain high technology tax incentives;
- (6) Exempting, from the general excise tax, amounts received by professional performers from live musical performances;
- (7) Establishing a council to advise and assist the Legislature on the economy;
- (8) Exempting lands held by the High Technology Development Corporation from chapter 171, Hawaii Revised Statutes, which, among other things, provides that public lands shall be managed, administered, and controlled by the Department of Land And Natural Resources;
- (9) Repealing the June 30, 2002, sunset date for the Regulatory Flexibility Act and the small business defender, and making other changes to more effectively assist small businesses;
- (10) Changing the frequency of loan interest rate adjustment for the Hawaii Capital Loan Program from semiannually to the first of each month to allow small businesses to take advantage of rapidly changing interest rate conditions;
- (11) Clarifying that the Hawaii Innovation Development Fund is to be used to promote the development of new manufactured products, marks, works, works of authorship, or inventions that have direct economic benefits for Hawaii;
- (12) Appropriating an unspecified amount of funds for the marketing of Hawaii products and services;
- (13) Appropriating an unspecified amount of funds to support PACON International in the design and planning of an ocean park;

(14) Appropriating an unspecified amount of funds for the Community-Based Economic Development (CBED) program to assist community-based entrepreneurs; and

(15) Extending EZ benefits to retailers in the East Maui EZ.

Testimony in support of this measure was submitted by a member of the Maui County Council and Hawaii Macadamia Tree, Inc. The Department of Business, Economic Development, and Tourism supported the intent of this bill. Adam Fields Productions opposed this measure. The Department of Taxation, the Chamber of Commerce of Hawaii, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Deleting the GO bond issuance and replacing it with an authorization to issue an unspecified amount of refundable special purpose revenue bonds to assist Hawaii Macadamia Tree, Inc., in financing the establishment of facilities to process macadamia nuts and manufacture macadamia products;
- (2) Deleting the appropriation for marketing of Hawaii products and services as this provision is contained in S.B. No. 2411, S.D. 2;
- (3) Deleting the appropriation for PACON International;
- (4) Deleting the provision extending EZ benefits to retailers in the East Maui EZ;
- (5) Deleting the appropriation for the CBED program as this provision is contained in S.B. No. 2540, S.D. 2, H.D. 1; and
- (6) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3061, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3061, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Davis and Ontai.

#### **SCRep. 860 Transportation on S.B. No. 2488**

The purpose of this bill is appropriate funds to enable the counties to continue the administration of the statewide program (Program) to issue parking placards to qualified persons with disabilities.

The Disability and Communication Access Board (DCAB), City and County of Honolulu, and the County of Hawaii testified in support of this measure.

Your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 2520, H.D.1, which:

- (1) Establishes the Parking for Persons with Disabilities Special Fund (Special Fund) to be administered by DCAB;
- (2) Requires that 70 cents of each annual state vehicle registration be deposited into the Special Fund to be used for the Program;
- (3) Allows appropriations made by the Legislature to be deposited into the Special Fund;
- (4) Allows moneys from the Special Fund to be used to pay the counties for administrative costs relating to the issuance of permits to qualified persons with disabilities and implementing a volunteer parking enforcement program;
- (5) Allows DCAB to use moneys from the Special Fund for purposes relating to the Program;
- (6) Ensures that \$20 of each annual state vehicle registration fee is credited to the State Highway Fund; and
- (7) Appropriates \$600,000 from the Special Fund.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2488, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 861 Transportation on S.B. No. 2628**

The purpose of this bill is to strengthen the current law with regard to the use of intoxicants while operating a motor vehicle.

Specifically this bill:

- (1) Applies repeat intoxicated driver provisions to persons with prior drug enforcement contacts;



- (2) Clarifies that a person who has refused a chemical test for either alcohol or drugs will not be eligible for a conditional license permit;
- (3) Clarifies the administrative review procedure for the revocation of a driver's license; and
- (4) Requires a law enforcement officer to read an implied consent form to an arrestee.

The Department of Transportation, and the Honolulu Police Department (HPD) testified in support of this bill. The Department of the Prosecuting Attorney supported the intent of this bill. The Judiciary commented on this measure.

The Driving Under the Influence (DUI) Consolidation Bill (Act 157, Session Laws of Hawaii (SLH), 2001) was an attempt by the Legislature to clarify and consolidate the statutes pertaining to DUI drugs and boating under the influence of alcohol to the DUI alcohol statutes. However, judicial rulings have caused a need for the evolution of this important law. Moreover, language that prohibited an individual who refuses to take a test for the suspected use of intoxicants to obtain a conditional driving permit was inadvertently omitted in Act 157, SLH 2001, creating a loophole for these persons to continue to drive. Therefore, your Committee feels that clarification of this situation is needed so that the safety of our roads can be improved by keeping intoxicated drivers off the streets.

Your Committee understands the concerns brought forth by the HPD that current law has created a situation in which law enforcement officers are charged with reading a litany of any and all possible consequences covering any possible scenario relating to an arrestee's situation with regards to driver's license revocation even if the situation may not apply. This measure eliminates this frustrating and time-consuming situation by including language for a simple implied consent form to be read to the arrestee when attempting to gain implied consent for alcohol or drug testing from intoxicated individuals.

Your Committee has amended this measure by changing the effective date from October 1, 2050, to July 1, 2003, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2628, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2628, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

#### **SCRep. 862 Transportation on S.B. No. 2336**

The purpose of this bill is to increase the safety of Hawaii's roadways by requiring that all drivers, with some exceptions, under the age of eighteen be accompanied by a licensed driver at least twenty-one years of age when driving between 10:00 p.m. and 4:00 a.m.

The Department of Transportation, Department of Education, and Honolulu Police Department testified in support of the intent of this measure.

This measure recognizes and addresses the fact that young drivers are not as capable and experienced in driving, especially at night. Moreover, teenagers often die or are seriously injured while "cruising" or racing with friends during the late night hours. Your Committee feels that restricting driving between 10:00 p.m. and 4:00 a.m. will decrease these types of occurrences while minimizing the restrictions on the rights of youths.

Your Committee has amended this measure by changing the age at which a driver is required to be accompanied by a licensed driver who is at least twenty-one years old when driving between 10:00 p.m. and 4:00 a.m. from under eighteen years of age to individuals under seventeen years of age to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2336, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2336, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

#### **SCRep. 863 Education on S.B. No. 2680**

The purpose of this bill is to promote cost-effective and efficient processes relating to project specifications for repair and maintenance of educational facilities.

Specifically, this bill:

- (1) Deletes the requirement to develop project specifications based on a qualified products list; and
- (2) Allows project specifications to be developed based on generic specifications or prescriptive specifications.

The Department of Accounting and General Services supported this measure. The Department of Education commented on this bill.

Your Committee notes that this measure allows for less restrictive methods to achieve the original intent of the State Educational Facilities Repair and Maintenance Account. Generic specifications established in this bill will allow for more competition between suppliers and more flexibility for contractors.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2680, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

#### **SCRep. 864 Education on S.B. No. 2793**

The purpose of this bill is to provide an emergency appropriation of \$1,000,000 to the Hawaii State Public Library System (HSPLS) to complete Phase I of the Kapolei Public Library.

HSPLS and the Estate of James Campbell testified in support of this measure.

The Kapolei Library is one of the cornerstones of the rapidly growing community of Kapolei. Although the library was completed nearly two years ago, it still remains idle because budget requests for operating funds and staff submitted over the last two years were denied because of the State's fiscal situation. Your Committee was informed that the additional funding is necessary if the library is to be open to the general public within the next 12 to 18 months.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2793, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

#### **SCRep. 865 Education on S.B. No. 2284**

The purpose of this bill is to appropriate an unspecified amount of funds to continue the Safety Resource Officer program (Program) in the central departmental school district.

Crimestoppers Honolulu, Inc., and many concerned citizens supported this bill. The Department of Education supported the intent of this measure. Hawaii Partners in Research and Evaluation offered comments.

Your Committee notes that the Program helps to ensure a safe and secure school environment for Hawaii's children. Your Committee supports the expansion of the Program to serve other school districts in addition to the central departmental school district.

Accordingly, your Committee has amended this measure by expanding the purpose for which funds are to be appropriated to include school districts statewide. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2284, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2284, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

#### **SCRep. 866 Education on S.B. No. 3007**

The purpose of this bill is to allow greater autonomy to New Century Charter Schools (Charter Schools), other innovative schools, and alternative learning programs by:

- (1) Establishing a nine-person Innovative Schools Commission (Commission), administratively attached to the Department of Education (DOE), to formulate policy for Charter Schools, other innovative schools, and alternative learning programs; and
- (2) Requiring that the members of the Commission be appointed by the Governor, by and with the advice and consent of the Senate, from a list of nominees presented to the Governor by innovative schools.

The Office of Information Practices, DOE, and Hawaii Government Employees Association commented on this measure.

Your Committee has amended this measure by changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3007, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3007, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.  
(Representative Hale voted no.)

#### **SCRep. 867 Education on S.B. No. 2926**

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

- (1) Compensate high school assistant athletic directors in the same manner as coaches; and
- (2) Allow coaches and high school assistant athletic directors to waive their stipends so that the funds may be allocated to the school to be used for the benefit of their respective sports team.

For purposes of receiving public testimony, your Committee circulated a proposed H.D. 1 version of this bill which deletes the bill's contents and inserts language that requires the Department of Education (DOE) to conduct a comprehensive occupational validation study of its educational officers.

The Hawaii Government Employees Association submitted testimony in opposition to the proposed draft. DOE submitted comments on the proposed draft.

Upon further consideration, your Committee has amended this bill by incorporating the provisions of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2926, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2926, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Bukoski, McDermott, Ontai and Stonebraker.  
(Representative Hale voted no.)

#### **SCRep. 868 Education on S.B. No. 2068**

The purpose of this bill is to appropriate funds to continue a position in the Department of Accounting and General Services (DAGS) to coordinate public and private efforts to repair and maintain public schools through the Hawaii 3R's Program.

The Department of Education, DAGS, Hawaii 3R's, The Chamber of Commerce of Hawaii, and General Contractors Association of Hawaii submitted testimony in support of this bill. The Hawaii State Teachers Association submitted testimony in support of the intent of this bill.

Your Committee finds that the Hawaii 3R's Program has done an excellent job of bringing together the public and private sector to perform school repair and maintenance work at a significant discount to the State. However, the DAGS coordinator position is essential to these efforts and needs to be funded if the good work of Hawaii 3R's is to continue.

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

- (1) Indemnifying from liability, providers of professional services for school repair and maintenance through the Hawaii 3R's Program; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2068, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2068, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Bukoski, McDermott, Ontai, and Stonebraker.  
(Representative Halford voted no.)

#### **SCRep. 869 Education on S.B. No. 2791**

The purpose of this bill is help ensure the safety and security of the Hawaii State Public Library System (HSPLS) by requiring employees, or prospective employees, of the HSPLS to:

- (1) Submit a sworn statement indicating whether or not the person has ever been convicted of an offense for which incarceration is a sentencing option;
- (2) Provide written consent for the HSPLS to conduct a criminal history record check; and
- (3) Allow themselves to be fingerprinted for the purpose of the Federal Bureau of Investigation criminal history record check.

The Attorney General and the Library System supported this bill.

Your Committee recognizes the importance of ensuring a safe and secure environment for patrons of state libraries. This is especially the case since library programs serve hundreds of children throughout the State on a daily basis. Allowing the HSPLS to conduct background checks and other measures to screen its employees, or prospective employees, will help protect children, other patrons, and library employees from becoming victimized by criminals, including sex offenders.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2791, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott, and Stonebraker.

#### **SCRep. 870 Education on S.B. No. 2100**

The purpose of this bill is to help prepare Hawaii's students to excel in an increasingly knowledge-based economy by authorizing the issuance of general obligation bonds, in the form of Qualified Zone Academy Bonds, to enable the Department of Education (DOE) to renovate and transform a former National Guard facility into a state-of-the-art technology enterprise that will feature virtual learning and serve as DOE's advanced-technology think tank.

DOE testified in support of the bill. The Department of Budget and Finance and Department of Taxation submitted comments on the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2100, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

#### **SCRep. 871 Education on S.B. No. 2969**

The purpose of this measure is to implement structural and procedural changes within the Department of Education to improve efficiency and to ensure that children with a disability receive a quality education.

Specifically, this measure:

- (1) Establishes an office of educational accountability and performance within the Board of Education to improve the efficiency and effectiveness of public schools;
- (2) Establishes a special education advisory board to advise and assist the office of educational accountability and performance in monitoring and evaluating education programs and related services provided to children with a disability;
- (3) Appropriates an unspecified sum to the Department of Education for internal auditor and support staff positions in order to ensure fiscal accountability, improve internal financial controls, and improve responsiveness to fiscal problems within the department;
- (4) Allows the Department of Education to appoint or retain by contract attorneys who are independent of the Attorney General in order to provide legal services for the Department, including legal services specified by the Board of Education;
- (5) Requires the Department of Education to record, maintain, store, and warehouse longitudinal data on every student of the public school system in order to analyze the effectiveness of the public school system and the areas that need improvement;
- (6) Requires the Department of Education to publish a listing of all departmental resources and services, including contracted services and resources, in order to allow individuals to efficiently find resources and services relevant to their needs;
- (7) Requires the Department of Education to ensure that the Department receives and collects all federal funds and reimbursements that the Department is entitled to, including reimbursements for qualifying Medicaid services;
- (8) Appropriates an unspecified sum to the Department of Education for fiscal year 2002-2003 for school design, improvements, and equipment to accommodate school-based health services for students, including medically fragile students;
- (9) Prohibits federal impact aid and U.S. Department of Defense funds from being expended except through legislative appropriations, and repeals the law allowing the Department of Education to retain all excess federal impact aid and U.S. Department of Defense funds;
- (10) Allows claims arising out of the acts or omissions of an educational officer, teacher, or classified personnel, related to the Felix consent decree or related services for children with a disability, to be brought against these persons only in their official capacity;
- (11) Defines the term "children with a disability" to mean persons under twenty years of age evaluated as having mental retardation, a hearing impairment including deafness, a speech or language impairment, a visual impairment including blindness, serious emotional disturbance, an orthopedic impairment, autism, traumatic brain injury, any other health impairment, a specific learning disability, deaf-blindness, or multiple disabilities, and who by reason thereof, needs special education and related services;
- (12) Repeals the definition of "exceptional children" and amends the education law (chapter 302A, Hawaii Revised Statutes) by replacing the term "exceptional children", or like term, with the term "children with a disability", or like term;

- (13) Requires any proposal or contract for the procurement of services, which requires that the services be performed by a person holding an academic degree, to specify that the degree must be issued by a college or university that has been accredited by an accrediting agency recognized by the U.S. Secretary of Education; and
- (14) Prohibits the Department of Health, either on its own or through a memorandum of agreement with the Department of Education, from limiting children's mental health services or programs to a specific class of children with mental and emotional disorders.

Your Committee has amended this measure by:

- (1) Deleting the provision allowing the Department of Education to appoint or retain attorneys who are independent of the Attorney General;
- (2) Deleting the provision allowing claims related to the Felix consent decree to be brought against Department of Education personnel only in their official capacities; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2969, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2969, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

#### **SCRep. 872 Education on S.B. No. 2270**

The purpose of this bill, as received by your Committee, is to appropriate funds and allocate state and district resource teacher positions to educate public school students about the exclusion, removal, and detention of Americans of Japanese ancestry during World War II.

The Japanese American Citizens League and an individual submitted testimony in support of this bill.

For the purposes of receiving public testimony, your Committee circulated a proposed H.D. 1 version of this bill creating the Hawaii Administrator Standards Board and Revolving Fund to establish certification standards for public school administrators.

The Department of Education and Hawaii Government Employees Association submitted testimony in support of the intent of the proposed draft. Two individuals submitted testimony opposing the proposed draft and requesting your Committee to retain the original language of this bill.

Upon further consideration, your Committee has amended this bill by incorporating both the contents of the S.D. 2 version of this bill and the proposed H.D. 1 version of this bill. Additional technical, nonsubstantive amendments were made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2270, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2270, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

#### **SCRep. 873 Education on S.B. No. 2036**

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

- (1) Require the Department of Education (DOE) to provide competitive incentive bonuses to schools equal to a percentage of any nonstate grant or subsidy awarded to a school or teacher at that school; and
- (2) Appropriate funds for the bonuses.

For purposes of public discussion, your Committee has circulated a proposed H.D. 1 version of this bill. As amended, the proposed draft replaces the substance of the bill, amending the current formula for allocating funds to charter schools by:

- (1) Requiring that the allocation be based on the total DOE appropriation for Education 100, 200, 300, 400, and 500 and the projected per-pupil allocation for the current fiscal year;
- (2) Requiring DOE to provide transitional funding to a conversion charter school for its first fiscal year of operation as a charter, based on the school's allocation for the prior fiscal year;
- (3) Deleting the requirement that the increment to the per-pupil allocation provided to a charter school for special education students shall not exceed that provided to other public schools; and
- (4) Requiring the Auditor to develop a methodology for allocating funds to conversion charter schools based on the allocation received by a newly-converted charter school during the year prior to conversion; provided that the allocation shall be based

upon the school's previous year's budget for Education 100 and 200, and specified sections of Education 150, 300, 400, and 500, and taking into account annual changes made by the Legislature, Governor, or through collective bargaining.

Kamehameha Schools submitted testimony in support of the intent of this bill. DOE and the Hawaii Government Employees Association submitted testimony in opposition to this bill.

Upon further consideration, your Committee has amended this bill by incorporating the provisions of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2036, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2036, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, and Stonebraker.

#### **SCRep. 874 Education on S.B. No. 2035**

The purpose of this bill, as received by your Committee, is to statutorily establish the Hawaii State Student Council.

For purposes of receiving public testimony, your Committee circulated a proposed H.D. 1 version of this bill that deletes the substance of the bill and inserts new language repealing the per diem rate for Department of Education (DOE) substitute teachers.

DOE submitted testimony in support of the proposed H.D. 1.

Upon further consideration, your Committee has amended this bill by incorporating the provisions of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2035, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Bukoski, McDermott, Ontai and Stonebraker.  
(Representative Halford voted no.)

#### **SCRep. 875 Agriculture on S.B. No. 2518**

The purpose of this bill is to require that items represented to be "koa" wood actually contain acacia koa wood.

The Department of Agriculture, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Hawaii Forest Industry Association, Fogelvik Furniture, Alapaki Wood Art, C. Barton Potter Co., and two concerned individuals testified in support of this bill. The Hawaii Agriculture Research Center supported the intent of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee recognizes that some wood and wood products have been labeled as "koa" when in reality they were made from the wood of species other than acacia koa. This measure will help protect consumers from these misleading advertising and marketing practices.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2518, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Takumi, Halford, and Whalen.

#### **SCRep. 876 Agriculture on S.B. No. 2184**

The purpose of this bill is to support Hawaii's agriculture industry by appropriating an unspecified amount of funds for:

- (1) Research and development of high-value agricultural products, biotechnology research and development, and the creation and adoption of agricultural management practices that protect Hawaii's environment; and
- (2) Development of the agribusiness incubator initiative.

The Hawaii Farm Bureau Federation, Hawaii Forest Industry Association, Maui County Farm Bureau, Hawaii Leeward Planning Conference, Hawaiian Commercial & Sugar Company, Kauai Coffee, Hawaii Export Nursery Association, Kilauea Agronomics, Tropical Hawaiian Products, and the Pineapple Growers Association of Hawaii supported this bill. The University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Agriculture Research Center, Hawaiian Host, Inc., and Land Use Research Foundation of Hawaii supported the intent of this bill.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2184, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2184, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Takumi, Halford and Whalen.

**SCRep. 877 Agriculture on S.B. No. 2228**

The purpose of this bill is to authorize the issuance of up to \$2,300,000 in special purpose revenue bonds (SPRBs) to assist Gay & Robinson, Inc., in the purchase of a sugar and molasses terminal facility on Kauai.

The Kauai County Farm Bureau and Hawaii Farm Bureau Federation testified in support of this bill. The Hawaiian Sugar & Transportation Cooperative and Gay & Robinson, Inc., supported this measure but requested amendments. The Department of Budget and Finance offered comments.

Your Committee notes that the bill, as referred to your Committee, named Gay & Robinson, Inc., as the entity receiving assistance through the SPRB issuance. However, your Committee has received testimony stating that Gay & Robinson, Inc., intends to sell the sugar and molasses terminal facility on Kauai to Hawaiian Sugar & Transportation Cooperative. In light of this development, both Gay & Robinson, Inc., and Hawaiian Sugar & Transportation Cooperative have requested that the entity to be assisted through the SPRB issuance be changed to Hawaiian Sugar & Transportation Cooperative. This revision will assist Hawaiian Sugar & Transportation Cooperative in its purchase of the facility from Gay & Robinson, Inc.

Although your Committee agrees with the requested amendment to change the entity being assisted by the SPRBs, your Committee has reservations regarding this measure. Testimony submitted by the Department of Budget and Finance indicates that this project may not qualify under federal and state laws as an industrial enterprise. Furthermore, your Committee notes that several concerns were raised in the public hearing on this bill and recommends that additional testimony and information be submitted for deliberation in any future public hearing of this measure.

Your Committee has amended this measure by changing the entity that will receive the proceeds of the SPRB issuance to Hawaiian Sugar & Transportation Cooperative, instead of Gay & Robinson, Inc. In addition, your Committee has amended this measure by:

- (1) Revising the purpose section to reflect the new entity, Hawaiian Sugar & Transportation Cooperative, that will receive the proceeds of the SPRB issuance; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2228, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2228, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi, Halford, and Whalen.

**SCRep. 878 Economic Development & Business Concerns on S.B. No. 2383**

The purpose of this bill is to promote Hawaii's tourism and construction industries by:

- (1) Establishing a nonrefundable commercial construction and remodeling tax credit for commercial construction and remodeling costs incurred before July 1, 2005, as follows:
  - (A) Four percent of the commercial construction and remodeling costs incurred for projects valued at less than \$10,000,000; and
  - (B) Ten percent of the commercial construction and remodeling costs incurred for projects valued at \$10,000,000 or more;
- (2) Expanding the hotel construction and remodeling tax credit to include construction and renovation costs incurred for:
  - (A) Any property on which commercial or recreational use is permitted to support or service a hotel/hotel-condo or resort use; and
  - (B) Offsite improvements necessary to service destination resort areas where a hotel/hotel-condo is situated.

Your Committee notes that this bill applies to taxable years beginning after December 31, 2050, to ensure further discussion.

Testimony in support of this measure was submitted by the Building Industry Association of Hawaii, Wimberly Allison Tong & Goo, Ferraro Choi and Associates, Ltd., Waikiki Improvement Association, Consulting Engineers Council of Hawaii, Honu Group, Inc., Castle & Cooke Properties, Inc., Land Use Research Foundation of Hawaii, Hawaii Island Economic Development Board, Retail Merchants of Hawaii, Hawaii Attractions Association, Hawaii Resort Developers Conference, Paul Louie & Associates, Inc., Associated Builders and Contractors, Hawaii Chapter, Inc., Hawaii Construction Industry Association, The Chamber of Commerce of Hawaii, Hawaii Business Roundtable, General Contractors Association of Hawaii, Hyatt Regency Waikiki Resort & Spa, and Louis Vuitton Fashion Group Hawaii.

The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority supported the intent of this bill. The Department of Budget and Finance and Department of Taxation opposed this bill. Paradise Cruise, Ltd., Hawaii Activities and Tours Association, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Deleting the commercial construction and remodeling tax credit and inserting a nonrefundable qualified project construction tax credit for qualified project construction costs incurred after December 31, 2002, and before January 1, 2010. More specifically, this credit:
  - (A) Amounts to four percent in each taxable year for qualified project construction costs incurred up to \$10,000,000 over a consecutive seven-year period;
  - (B) Amounts to ten percent in each taxable year for qualified project construction costs incurred of more than \$10,000,000 over a consecutive seven-year period; provided that the taxpayer shall require that any general contractor performing work for the qualified project pay its employees the prevailing wages;
  - (C) Defines "qualified project construction costs" to mean any costs incurred after December 31, 2002, and before January 1, 2010, for plans, design, construction, infrastructure, amenities, equipment, alteration, modification, telecommunications, and information technology relating to a qualified project; and
  - (D) Defines "qualified project" to mean a single or multiple phase development or renovation project situated on one or more parcels of real property which are contiguous, adjoining, or in close proximity to each other;and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2383, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2383, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, and Ontai.

#### **SCRep. 879 Labor & Public Employment on S.B. No. 2784**

The purpose of this bill is to streamline the workers compensation process by:

- (1) Providing employers more time to file their year-end workers' compensation payment reports with the Director of Labor and Industrial Relations (Director); and
- (2) Allowing medical services support or auxiliary personnel under certain chapters of Hawaii's licensing law to treat patients under the workers' compensation law.

The Department of Labor and Industrial Relations and the Hawaii Insurers Council testified in support of this measure. The Hawaii Chapter American Physical Therapy Association supported the intent of this bill.

Currently, employers are required to file year-end workers' compensation reports with the Director on December 31<sup>st</sup> of each year. This bill will allow an employer to file this report with the Director by January 31<sup>st</sup> of the subsequent year, thus streamlining the reporting process and making the reports more accurate and complete.

Concerns were raised regarding the authorization of medical services auxiliary or support personnel to treat patients. Your Committee feels that authorization is inappropriate without amending the respective regulatory statutes governing specific professions.

Accordingly, your Committee has amended this measure by:

- (1) Deleting provisions allowing providers of medical services to have treatment in their profession carried out by support or auxiliary personnel; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2784, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2784, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga, and Rath.

#### **SCRep. 880 Labor & Public Employment on S.B. No. 2715**

The purpose of this bill is to simplify and facilitate the administration and processing of pension benefits by the Employees' Retirement System (ERS).

Specifically, this bill:

- (1) Allows a pensioner's beneficiary to receive a full monthly pension for the month in which the pensioner dies;
- (2) Provides for monthly benefit payments to individuals who retire or become beneficiaries after January 1, 2003;



- (3) Authorizes the ERS to require state or county departments or agencies to furnish information in a timely manner;
- (4) Simplifies the computation of retirement service credits and average final compensation;
- (5) Extends the period to file written application specifying the day of retirement to 150 days; and
- (6) Provides that retirement is effective on the first day of a month.

ERS testified in support of the intent of this measure.

Your Committee finds that the processing and payment of retirement, disability, and death benefits on a timely basis is beneficial to both the members of ERS and the state and county payroll and personnel offices.

However, your Committee understands that there are concerns regarding possible abuse of the computation of credited service which, according to the actuarial study, may lead to increased employer contributions to the ERS. Accordingly, your Committee has amended this measure by:

- (1) Deleting language regarding the calculation of credited service; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2715, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2715, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga, Pendleton, and Rath.

#### **SCRep. 881 Water & Land Use on S.B. No. 1280**

The purpose of this bill is to address the core problems in the overall management of small boat harbors by directing the Senate Committee on Economic Development and Technology to investigate the Department of Land and Natural Resources (DLNR), Division of Boating and Ocean Recreation (DOBOR).

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that inserts new language increasing the moorage fees for nonresident and commercial permittees.

The Ocean Tourism Coalition, Trilogy Excursions, Aqua Lung Pacific, and Activity Owners Association of Hawaii testified in support of this measure. The Savealawai Coalition and one individual supported this measure with amendments. DLNR, the Hawaii Government Employees Association, Makai Society, and ten individuals offered comments. The Hawaii Boaters Political Action Association and Ala Wai Marina Board opposed this measure.

Your Committee has amended this bill by incorporating the amendments in the proposed H.D. 1. Further amendments were made to:

- (1) Create a joint legislative committee with the addition of your Committee on Water and Land Use;
- (2) Clarify that the joint committee shall review, not investigate, DOBOR;
- (3) Delete the joint committee's task of reviewing the pending and resolved lawsuits against DOBOR; and
- (4) Make technical, nonsubstantive amendments to conform to standard drafting conventions.

Finally, your Committee notes that State employees who provide the joint committee with useful information will be protected under the Whistleblowers' Protection Act, part V, Chapter 378, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1280, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1280, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

#### **SCRep. 882 Water & Land Use and Energy & Environment Protection on S.B. No. 2003**

The purpose of this bill is to improve water conservation by requiring all state agencies to:

- (1) Dedicate a portion of maintenance funds to retrofit older facilities with water-saving plumbing fixtures; and
- (2) Comply with any request by a county board of water supply to reduce water use.

The Honolulu Board of Water Supply and Hawaii's Thousand Friends testified in support of this bill. The Department of Education supported the intent of this measure. The Department of Accounting and General Services (DAGS) and the Department of Land and Natural Resources offered comments.

Your Committees have amended this bill by:

- (1) Deleting the requirement that state agencies dedicate a portion of maintenance funds to retrofit older facilities with water-saving plumbing fixtures;
- (2) Requiring state agencies to develop, implement, and maintain a five-year strategic plan for water conservation for its assigned facilities;
- (3) Specifying that the plan shall identify standards for water conservation and retrofitting and take into consideration the cost and effectiveness of these activities as well as the savings from reduced water consumption;
- (4) Directing DAGS to coordinate the efforts of each state agency and to submit annual progress reports to the Legislature; and
- (5) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2003, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2003, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

#### **SCRep. 883 Water & Land Use and Energy & Environment Protection on S.B. No. 2802**

The purpose of this bill is to encourage the development of renewable forms of energy by authorizing the Board of Land and Natural Resources to lease public lands to renewable energy producers through direct negotiations.

The Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, and The BRG Group testified in support of this measure. Hawaii Renewable Energy Alliance supported the intent of this bill.

Chapter 171, Hawaii Revised Statutes, allows for the leasing of public lands by direct negotiation to public utilities, including electric utility companies. However, the law currently excludes renewable energy producers who provide power to the electric utility companies. Accordingly, public lands can only be leased to these entities through auction. Since a substantial amount of upfront work is necessary to plan and develop these renewable energy projects, potential applicants are reluctant to go through the costly process when they are not assured of a lease. This bill seeks to eliminate this impediment.

Upon further consideration, your Committees have amended this bill by deleting its substance and inserting the substance of H.B. No. 2544, H.D. 1, its companion bill.

This bill has been further amended by:

- (1) Deleting the requirement that any disposition to renewable energy producers be subject to legislative disapproval;
- (2) Clarifying the definition of "renewable energy producer" to require a producer to sell all of the net power produced to an electric utility company. Specifying "net" power allows the producer to use some of the power that it generates for its own needs; and
- (3) Making technical, nonsubstantive amendments to conform to standard drafting conventions.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2802, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2802, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Meyer, and Thielen.  
(Representative Hale voted no.)

#### **SCRep. 884 Water & Land Use and Energy & Environment Protection on S.B. No. 2810**

The purpose of this bill is to allow safe harbor agreements and habitat conservation plans for all lands by broadening the definition of "landowner."

This bill changes the definition of landowner from "the owner of the fee simple interest in private land" to "an owner of land or any estate or interest in that land when acting with the fee owner's consent."

This bill also clarifies that confidentiality protection is intended for private lands.

The Department of Transportation, Housing and Community Development Corporation of Hawaii, Department of Land and Natural Resources, U.S. Fish and Wildlife Service, Land Use Research Foundation of Hawaii, The Estate of James Campbell, the Nature Conservancy of Hawaii, Hawaii Leeward Planning Conference, and Ducks Unlimited, Inc., testified in support of this bill. Earthjustice, Hawaii's Thousand Friends, and Sierra Club, Hawaii Chapter opposed this measure.

Your Committees have amended this bill by:

- (1) Deleting the proposed changes to the definition of "landowner"; and
- (2) Adding an exception to the existing definition by including public lands relating to the following three projects:
  - (a) North-South Road, Ewa, Oahu;
  - (b) Cyanotech Corporation, Kona, Hawaii; and
  - (c) Kealahou planned community, Kona, Hawaii.

Your Committees find that the State has an affirmative duty to protect Hawaii's endangered and threatened species. Including references to public lands in the definition of "landowner" would negate that duty. However, there may be limited circumstances where certain public lands may need to be developed to meet a greater public purpose. Under these specific circumstances, it should be the Legislature's prerogative to consider a change in policy to meet that compelling public need.

Proponents of allowing safe harbor agreements and habitat conservation plans on public lands argue that a majority of other states already allow this to occur. It should be pointed out, however, that many states do not have their own endangered species protection laws, thus defaulting to the Federal Endangered Species Act. Yet, because Hawaii has its own statute which provides greater protections specifically to plant species, and because Hawaii has the most listed endangered species in the nation, our state is uniquely situated and required to ensure that proper protections are provided.

Therefore, your Committees find that a broad amendment to the definition of "landowner" is not warranted. Instead, each project should be reviewed on a case-by-case basis and approved only after disclosure under the National Environmental Policy Act or chapter 343, Hawaii Revised Statutes, indicates that all alternatives have been examined and a habitat conservation plan would offer the most practical way to mitigate negative impacts to endangered and threatened species. The disclosure process is a necessary component because it would:

- (1) Identify weaknesses or inconsistencies in the proposed project plan;
- (2) Identify mitigation measures designed to address potentially significant adverse impacts; and
- (3) Respond to critical public and private review of the proposed project that should result in a well-planned project that is sensitive to the physical, natural, and social environment within which it is sited.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2810, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2810, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.  
(Representatives Jaffe and Thielen voted no.)

#### **SCRep. 885 Judiciary & Hawaiian Affairs and Consumer Protection & Commerce on S.B. No. 2737**

The purpose of this bill is to extend immunity to private agencies and entities engaged in civil defense functions.

Your Committee received testimony in support of this bill from the Departments of Defense, Public Safety, and Business, Economic Development, and Tourism, the City and County of Honolulu Police Department, the Hawai'i Hotel Association, and the Hawaiian Electric Company.

Your Committees have amended this bill by:

- (1) Extending immunity to active military services and the national guard of other states who are engaged or assisting in civil defense functions; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2737, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2737, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Auwae and Gomes.

#### **SCRep. 886 Judiciary & Hawaiian Affairs on S.B. No. 2765**

The purpose of this bill is to no longer require the Department of Health (DOH) to register divorces and annulments.

Your Committee finds that the Judiciary is the governmental source for providing copies of divorce decrees, and that the certified divorce certificates issued by DOH contain information already found in the divorce decrees.

DOH testified in support of this measure. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2765, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.

#### **SCRep. 887 Consumer Protection & Commerce and Judiciary & Hawaiian Affairs on S.B. No. 2732**

The purpose of this measure is to encourage the retention and formation of business entities in Hawaii, by updating and clarifying Hawaii's business registration laws to reflect modern business practices.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA) and Unity House, Inc.

This measure incorporates changes to the business registration laws proposed by the Business Registration Division of DCCA, and the Business Law and Real Estate Sections of the Hawaii Bar Association. Among other things, this measure:

- (1) Allows for the appointment of a trustee or receiver to dispose of a dissolved corporation's property;
- (2) Permits corporations to use electronic means of communication as an alternative to in-person shareholder meetings;
- (3) Clarifies that the board of directors of a Hawaii corporation may issue rights and options to adopt a plan denying shareholders the right to amass stock for the purpose of a hostile takeover;
- (4) Increases clarity of the new nonprofit corporations law, addresses concerns of the Real Estate Section, and relieves timeshare associations from members list requirements related to membership meetings;
- (5) Requires all registered business entities to appoint a registered agent;
- (6) Establishes an annual filing requirement that is based upon the date of an entity's original registration;
- (7) Makes uniform the standard for the administrative dissolution of registered entities;
- (8) Clarifies that general partnerships and limited liability partnerships are not separate entities;
- (9) Reconciles inconsistencies between state law and federal law regarding a nonprofit corporation member's right to inspect and receive copies of a membership list;
- (10) Allows a voting proxy to be valid for more than three years if provided for in a nonprofit corporation's bylaws;
- (11) Gives individual trade name holders the right to file a petition for an administrative order of abatement of trade name infringement; and
- (11)[sic] Corrects ambiguities and errors and makes technical changes for purposes of clarification, consistency, and style.

Your Committees find that the amendments contained in this measure strike an appropriate balance by easing some of the unnecessary burdens on business entities in Hawaii, while at the same time ensuring that shareholders and members are protected.

In addition, your Committees note that sections 414D-88 and 414D-108 of the new nonprofit corporation law, relating to member registration and action by written ballot, respectively, are being repealed to maintain consistency with the outgoing nonprofit corporation law.

Your Committees have amended this bill by making numerous, nonsubstantive, technical amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2732, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2732, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

#### **SCRep. 888 Education on S.B. No. 2032**

The purpose of this bill is to require that:

- (1) Students entering kindergarten in public schools to be at least five years of age before October 1 of the school year, beginning with the 2005-2006 school year; and
- (2) Funds saved through the implementation of this bill be used for various specified purposes.

Hawaii Congress of Parents, Teachers, and Students and several individuals submitted testimony in support of this bill. The Department of Education (DOE), Department of Human Services (DHS), and Institute for Native Pacific Education and Culture submitted testimony in support of the intent of this bill. Good Beginnings Alliance, Hawaii Kids Watch, and two individuals submitted testimony in opposition to this bill. Hawaii State Teachers Association submitted comments on this bill.

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

- (1) Specifying that for the 2006-2007 school year, kindergarten students shall be at least five years of age before October 1 of the school year;
- (2) Specifying that beginning with the 2007-2008 school year, kindergarten students shall be at least five years of age before July 1 of the school year;
- (3) Requiring that beginning July 1, 2008, the funds saved through the implementation of this bill be used only for the Pre Plus and Open Doors programs; and
- (4) Requiring DOE, DHS, Good Beginnings Alliance, and the Hawaii Association for the Education of Young Children to submit a report to the Legislature prior to the Regular Sessions of 2007 and 2008.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2032, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2032, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

#### **SCRep. 889 Education on S.B. No. 2097**

The purpose of this bill is to place under legislative oversight, federal Impact Aid and U.S. Department of Defense funds (Federal Funds) received by the Department of Education (DOE).

Specifically, this bill:

- (1) Requires the Comptroller to establish new accounts in each fiscal year for all Federal Funds and requiring that unencumbered cash balances be deposited into the current fiscal year accounts;
- (2) Prohibits the expenditure of the Federal Funds without legislative appropriation;
- (3) Requires the Board of Education to submit semiannual reports to the Legislature that include amounts and the date the Federal Funds were received, itemization of amounts expended and its purpose, and the balance remaining at the end of the fiscal year; and
- (4) Repeals the Governor's authority to authorize DOE to expend the Federal Funds.

DOE commented on this bill. The Hawaii State Teachers Association opposed this measure.

Your Committee finds that it is appropriate to exercise legislative oversight over the Federal Funds, especially during the State's current severe revenue shortfalls and budget constraints.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, to promote further discussion on this important matter; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2097, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2097, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott, and Stonebraker.

#### **SCRep. 890 Education and Labor & Public Employment on S.B. No. 2512**

The purpose of this bill is to provide equity to New Century Charter Schools (charter schools) and their teachers by:

- (1) Enabling teachers who meet the requirements for regular Department of Education (DOE) teachers and teach at charter schools to receive probationary credit and tenure status and acquire seniority;
- (2) Requiring charter schools to receive an allocation based on the total DOE appropriation and projected per-pupil allocation for the current fiscal year, with certain program I.D. appropriations excluded;
- (3) Requiring DOE to determine and provide an adequate amount of special education staff and services to charter schools;

- (4) Limiting reimbursements by a charter school to DOE for administrative services related to federal grants and subsidies to six and one-half percent of the charter school's federal grants and subsidies;
- (5) Establishing deadlines for DOE to provide a charter school's per-pupil allocation each year;
- (6) Repealing the cap on the per-pupil allocation to a charter school for special education students at charter schools; and
- (7) Repealing the requirement that the Auditor consider the advice of the Superintendent of Education and representatives of charter school boards when determining the per-pupil allocation for charter schools.

The Office of Hawaiian Affairs, American Friends Service Committee, numerous students, teachers, and parents from Halau Lokahi, Waiālae, and other charter schools, and concerned individuals submitted testimony in support of this bill. DOE, Hawaii State Teachers Association, Hawaii Association of Charter Schools, and Halau Ku Mana New Century Public Charter School submitted testimony in support of this bill with amendments. Kamehameha Schools submitted testimony in support of the intent of this bill. The Hawaii Government Employees Association and a member of the Board of Education submitted comments on this bill.

This bill takes important steps to ensure that charter schools receive equitable treatment in relation to other public schools. The funding mechanism for charter schools is much different than that for regular charter schools because while most public schools simply receive positions and services consistent with their population and overall needs, charter schools receive a specific amount of funding from the overall DOE appropriation. This has resulted in confusion in determining a fair and reasonable method of allocating funds to charter schools, as their needs must be calculated and budgeted differently than other public schools.

Upon further consideration, your Committees have amended this bill by changing the effective date to July 1, 2050, to facilitate and promote further discussion.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2512, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2512, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina, Bukoski, McDermott, Ontai, Stonebraker, Souki, Yoshinaga, and Pendleton.

#### **SCRep. 891 Health on S.B. No. 2982**

The purpose of this bill is to require hospitals to provide for the security of patient's personal effects during hospitalization by:

- (1) Requiring the hospital to make a written inventory of the patient's personal effects and provide the patient with a copy;
- (2) Holding the hospital liable for missing items unless it can prove that the patient or the patient's visitors were responsible for the loss; and
- (3) Requiring hospitals to pay for the replacement cost of the missing item within 30 days of filing a claim, three times the replacement cost after the 30<sup>th</sup> day, or six times the replacement cost after the 60<sup>th</sup> day after filing a claim.

The Senator representing the 5<sup>th</sup> Senatorial District testified in support of this measure.

The Department of Health, Healthcare Association of Hawaii, Kaiser Permanente Hawaii, and Hawaii Pacific Health opposed this measure.

Your Committee finds that there may be occasions when a patient is hospitalized and the patient's personal effects that are required for daily activity, such as glasses, hearing aids, and dentures, are misplaced or lost, and the hospital immediately claims that it is not responsible. However, health care providers testified that standards already exist in handling reports of missing personal property.

Your Committee has amended this bill by:

- (1) Requiring the patient or the patient's representative to sign the written inventory upon admission;
- (2) Providing that the hospital shall not be responsible for personal effects not inventoried prior to the performance of emergency procedures necessary to sustain the life of the patient;
- (3) Requiring the hospital only to pay the replacement cost of the missing items within 30 days of filing a claim;
- (4) Limiting the definition of "personal effects" to those necessary for the patient's activities of daily living; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2982, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Kahikina.

**SCRep. 892 Health and Human Services and Housing on S.B. No. 2881**

The purpose of this bill is to assist the chronically ill and disabled elderly by extending the repeal date of the Program for All-inclusive Care for the Elderly (PACE) demonstration project at Maluhia Hospital by three years to June 30, 2005, as it awaits federal approval from the Centers for Medicare and Medicaid Services to become a permanent provider as established by Congress.

The Department of Human Services, Hawaii Health Systems Corporation, Chamber of Commerce of Hawaii, and Healthcare Association of Hawaii testified in support of the bill. The Hawaii Government Employees Association supported the intent of the measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2881, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 893 Health and Human Services and Housing on S.B. No. 2985**

The purpose of this bill is to assist federally qualified health centers (FQHCs) by providing an income tax credit for costs related to qualified capital improvements.

The Waianae Coast Comprehensive Health Center testified in support of this measure.

The Department of Taxation submitted testimony opposing this measure. The Tax Foundation of Hawaii submitted comments.

To qualify as a FQHC, it must serve predominantly uninsured, poor, and indigent individuals with a high incidence of medical problems and few alternative resources. Your Committees find that a tax credit for FQHCs will assist in providing improvements to allow FQHCs to continue to provide a quality environment and services to the community.

Your Committees have amended this bill by:

- (1) Providing that the FQHC cannot claim the tax credit on state-funded projects; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2985, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2985, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Auwae, and Stonebraker.

**SCRep. 894 Health and Consumer Protection & Commerce on S.B. No. 2085**

The purpose of this bill is to provide mental illness and drug and alcohol abuse treatment benefits for children, under the age of nineteen, of public employees.

The Hawaii Medical Association, Hawaii Psychiatric Medical Association, Hawaii Psychological Association, Mental Health Association in Hawaii, National Alliance for the Mentally Ill Oahu, and the Hawaii Governmental Employees Association supported this bill. The Department of Budget and Finance and Department of Education opposed this measure. Hawaii Youth Services Network, Hawaii Medical Service Association, and the Chamber of Commerce of Hawaii offered comments.

Your Committees have amended this measure by deleting its contents and inserting the provisions of H.B. No. 1857, H.D. 1, which:

- (1) Requires mental illness benefits to be provided to minors to the same extent as provided to adults;
- (2) Requires that benefits for a minor for serious mental illness and for alcohol dependence and drug dependence shall be provided as clinically necessary;
- (3) Prohibits health insurance plans from imposing rates, terms, or conditions on mental illness benefits to minors if similar rates, terms, or conditions are not applied to services for other medical or surgical conditions;
- (4) Defines "minor" to mean an individual under the age of eighteen;
- (5) Includes major depression in the definition of "serious mental illness" as applied to minors; and
- (6) Makes permanent Act 121, Session Laws of Hawaii 1999, which allowed for the coverage of serious mental illness benefits.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2085, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2085, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kahikina.

**SCRep. 895 Public Safety & Military Affairs and Labor & Public Employment on S.B. No. 2819**

The purpose of this bill is to enable the Hawaii Paroling Authority (HPA) to better fulfill its responsibilities in the criminal justice system by:

- (1) Converting two part-time HPA member positions to full-time member positions;
- (2) Providing for the rotation of the HPA chair position among the members every two years;
- (3) Deleting the provision allowing HPA members to receive payment for travel and incidental expenses;
- (4) Precluding HPA members from engaging in outside employment;
- (5) Requiring the Auditor to study the effectiveness of a full-time paroling authority; and
- (6) Appropriating an unspecified amount.

The Department of Public Safety, HPA, and Government Efficiency Teams, Inc. supported this bill.

Your Committees considered and reported out a similar bill, H.B. No. 2561, H.D. 1, earlier this session.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2819, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 896 Transportation on S.B. No. 2306**

The purpose of this bill is to establish a passenger facility charge to finance the Department of Transportation's costs related to implementing new security measures at state airports. Specifically, the bill:

- (1) Authorizes the Department of Transportation to establish a fee not to exceed \$4.50 for each overseas or international passenger who uses a state airport; and
- (2) Provides that interisland passengers who use state airports are not subject to the passenger facility charge.

Your Committee finds that the terrorist attacks of September 11, 2001 affected air travel in a number of ways. Air travel in the United States was completely halted for a short period of time, and as airports re-opened after the attacks, air travel was significantly reduced because many people were afraid to fly. To restore public confidence in the safety of air travel, Congress passed the Aviation and Transportation Security Act in November, 2001. The Act established the Transportation Security Administration in the U.S. Department of Transportation to implement the new federal aviation security measures. The passenger facility charge established by this measure is intended to reduce the Department of Transportation's costs of implementing new security requirements.

Your Committee further finds that the reduction in air travel also has negatively affected concessionaires at Hawaii's public airports. Historically, airport concessionaires have contributed more than sixty per cent of the revenues of Hawaii's public airports. Even before the September 11 terrorist attacks and despite a surplus of funds in the airports division's special fund account of the Department of Transportation, airlines were granted landing fee waivers. Airport concessionaires received no similar assistance. Because the airport concessions continue to suffer hardship, your Committee believes that the Department of Transportation should provide some relief that will allow airport concessionaires to remain in business and provide services to arriving and departing airline passengers.

Accordingly, your Committee has amended this bill to:

- (1) Provide relief beyond April 30, 2002 to airport concessions suffering from the impact of September 11 events;
- (2) Allow airport concessions suffering from those events but whose concession agreements with the Department of Transportation are terminated due to new concessionaires to recover their bonds and deposits and remove the current bar to doing business with the State for five years;
- (3) Prohibit concessions suffering losses or damages from termination from making claims against the State for those losses or damages; and
- (4) Provide a mechanism to allow concessions to obtain relief after a natural disaster or a continuing adverse economic condition.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2306, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2306, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.



**SCRep. 897 Transportation and Consumer Protection & Commerce on S.B. No. 3028**

The purpose of this bill is to regulate warrantors of vehicle protection products.

The National Vehicle Protection Association (NVPA) testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) testified in opposition to this measure.

Many antitheft products and theft deterrent devices are currently being sold on the market. These devices are generally not sold to the public directly from the manufacturer but rather, they are sold through automobile dealers. Oftentimes, warranties accompany these devices which provides that the company will back up its warranty by paying a specified, agreed upon, maximum amount for damages incurred by the customer as a result of the failure of the product. However, concerns have been raised that individuals are considering this warranty to be a form of insurance on the vehicle. Moreover, according to NVPA, a lawsuit is currently pending regarding this issue and the legislatures of Texas and New York have attempted to deal with this problem by clarifying that these warranties are not insurance policies.

Your Committees understand the concerns of NVPA, especially with regard to the lawsuit against a producer of these vehicle protection devices. However, concerns were also raised regarding the need for such legislation and whether or not this problem really exists. According to DCCA, no known complaints have been filed with their office against producers of these protection devices. Jurisdiction over the products addressed by this measure and the specific products covered under the definition of "vehicle protection product warranty" are also issues of concern. Nevertheless, your Committees believe that these types of products and warranties merit further discussion.

Your Committees have amended this measure by:

- (1) Changing the effective date from January 1, 2050, to July 1, 2003, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3028, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3028, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yoshinaga, Pendleton, and Rath.  
(Representative Moses voted no.)

**SCRep. 898 Higher Education and Education on S.B. No. 2816**

The purpose of this bill is to resolve the shortage of teachers in the State's public school system by:

- (1) Creating the Hawaii Educator Incentive Program (HEIP) and Special Fund (Special Fund) to be administered by a designated federal credit union that has been contracted to provide financial assistance to teachers who graduate from state-approved teacher education program and agree to serve in the Department of Education (DOE); and
- (2) Establishing eligibility requirements, maximum reimbursement amounts, repayment schedules, and tuition reimbursement guidelines to implement HEIP.

Testimony in support of this bill was received from the Lieutenant Governor, DOE, University of Hawaii (UH), Hawaii Association of Independent Schools, Hawaii Business Round Table, Hawaii State Teacher Association, University of Phoenix-Hawaii Campus, and the Hawaii State Student Council. The Hawaii Teacher Standards Board and an individual supported the intent of this bill.

Your Committees recognize that there is an increasing need for teachers in the State of Hawaii. The teacher shortage in Hawaii is an ongoing problem that needs to be addressed quickly.

Your Committees find that teachers graduating through the college and university systems in Hawaii are more likely to stay within the Hawaii State teaching system than those that are recruited from the mainland.

Creating an incentive program through which all graduates in education in Hawaii can participate will help alleviate the burden that exists for upcoming generations of Hawaii public school students.

This bill creates an incentive for students to become teachers and to ensure that these graduates teach in Hawaii public schools. Hopefully this incentive will increase the amount of persons entering the teaching profession.

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

- (1) Inserting additional findings;
- (2) Specifying that the Special Fund shall be administered by DOE, rather than UH;
- (3) Clarifying that HEIP provides tuition reimbursements and not loans;
- (4) Removing the appropriation; and

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

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2816, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2816, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina, Bukoski, McDermott, Ontai, Stonebraker.

**SCRep. 899 Higher Education on S.B. No. 2033**

The purpose of this bill is to amend the Hawaii Educator Loan Program (Program) by:

- (1) Reducing the loan forgiveness period from ten to six years;
- (2) Specifying that ten percent of the loan amount is forgiven in each of the first five years of service, and the remaining amount is forgiven after the sixth year;
- (3) Establishing an appropriation ceiling for the Hawaii Educator Loan Program Special Fund (Special Fund), provided that moneys remaining in the Special Fund at the end of each fiscal year shall not lapse into the general fund;
- (4) Authorizing up to five percent of the total amount of outstanding loans to be spent for administrative expenses;
- (5) Appropriating an unspecified amount to the Program; and
- (6) Exempting the University of Hawaii (UH) from the public notice and hearing requirements of the Hawaii Administrative Procedure Act, in its adoption of rules to implement the Program.

The Lieutenant Governor, UH, Department of Education, and Hawaii Association of Independent Schools submitted testimony in support of this bill.

Your Committee finds that this bill makes several amendments to this worthy loan Program to improve its administration and make it more attractive to future teachers. With the shortage of teachers throughout the State, the Legislature should make every attempt possible to ensure that there is a reliable source of teachers, trained locally, who will stay in Hawaii to teach. This Program and the changes proposed in this bill will go a long way toward fulfilling that goal.

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

- (1) Allowing collection agencies that enter into contracts with UH to collect delinquent loans from students, to pass its fees on to the debtors; and
- (2) Making other technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2033, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2033, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Hale, Bukoski, Halford and Ontai.

**SCRep. 900 Higher Education on S.B. No. 2067**

The purpose of this bill is to repeal the Hawaii Opportunity Program in Education (HOPE) Special Fund and transfer the remaining balance to the University of Hawaii (UH) Tuition and Fees Special Fund to recruit and retain financially needy students, particularly those from under-represented ethnic groups.

UH submitted testimony in support of this bill.

Your Committee finds that the HOPE Special Fund has never been used to implement its original purposes. Repealing the Hope Special Fund and transferring the remaining moneys will allow UH to finally use these funds to help in the recruitment and retention of financially needy students.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2067, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Hale, Bukoski, Halford, and Ontai.

**SCRep. 901 Higher Education on S.B. No. 2351**

The purpose of this bill is to establish a Nursing Education Loan Program (Program) at the University of Hawaii (UH).

The Hawaii Nurses' Association, University of Phoenix, and an individual submitted testimony in support of this bill. The Hawaii Government Employees Association submitted testimony in support of the intent of this bill.

Your Committee finds that there is a serious nursing shortage, worldwide and locally. This situation is expected to worsen as much of the aging nurse workforce retires. This Program will encourage students to enter the nursing education program at UH, and offering to forgive loans for those who serve as nurses in Hawaii will help persuade nursing graduates to remain in Hawaii.

Upon further consideration, your Committee has amended this bill by specifying that that one tenth of a loan provided under the Program and accrued interest shall be waived for each of the first five years that a loan recipient serves as a nurse in Hawaii, and the remaining loan amount shall be waived after the sixth year.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2351, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2351, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kahikina, Ontai and Stonebraker.

#### **SCRep. 902 Consumer Protection & Commerce on S.B. No. 251**

The purpose of this bill is to establish a professional counselor licensing program.

Testimony in support of this measure was submitted by the Crime Victim Compensation Commission, Hawaii Counseling Association, Hawaii Vocational Services, Hawaii Youth Services Network, National Board for Certified Counselors and Affiliates, Sestak Rehabilitation Services, and a number of concerned counselors. The Department of Health supported the intent of the bill. Testimony in opposition to the bill was provided by the Department of Commerce and Consumer Affairs (DCCA) and the Hawaii Psychological Association.

Your Committee finds that master's- and doctoral-level professional counselors are not currently regulated in the State, and there are no statutory safeguards in place to ensure the quality of services provided. In addition, lack of regulation prevents the State, nonprofit agencies, and providers from seeking third-party reimbursement from insurance plans for services provided by a professional counselor. These issues become all the more troubling as they pertain to mental health counselors, and in light of ongoing efforts to comply with the federal Felix v. Cayetano consent decree.

However, your Committee also finds that according to three separate sunrise studies conducted by the Legislative Auditor (Auditor) in 1988, 1992, and 1999, the regulation of counselors is not warranted. The Auditor concluded:

- (1) There is "very limited evidence of consumer harm;"
- (2) These occupations "pose no significant harm to consumers;"
- (3) "Regulation is not required;" and
- (4) "Regulation would benefit counselors more than consumers."

Your Committee also has concerns regarding questions and issues that were raised during the public hearing of this bill. These include:

- (1) *The bill purports to be a licensing law, when in fact it is a certification law.* Your Committee finds that this measure operates as a certification law because it protects the use of the title "professional counselor." It does not grant persons who meet certain qualifications the legal right to practice the profession. Thus, use of the term "license" appears inaccurate;
- (2) *The bill includes vocational rehabilitation counselors.* Your Committee concurs with the Auditor that there is no demonstrated evidence of harm to justify regulation of vocational rehabilitation counselors; and
- (3) *The bill includes a "grandfathering" clause.* Your Committee finds that a "grandfathering" provision makes it easier for one group of applicants to become licensed than another, which has the effect of protecting this grandfathered group from having to compete with others to meet licensing requirements. Your Committee believes that all applicants should be required to compete on equal footing.

Accordingly, after careful consideration, your Committee has amended this measure by replacing its provisions with the substance of a similar bill introduced during the 2000 Regular Session. The amended bill addresses your Committee's concerns by:

- (1) Establishing a title protection program that is accurately identified as a certification program;
- (2) Including provisions that restrict the application of the program specifically to mental health counselors; and
- (3) Changing the effective date of the bill from July 1, 2050, to July 1, 2003.

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

Signed by all members of the Committee except Representatives Ahu Isa, Case, Yoshinaga, Gomes, and Meyer.

#### **SCRep. 903 Consumer Protection & Commerce on S.B. No. 2075**

The purpose of this bill is to increase access to dental services and improve oral health in Hawaii by expanding the public health settings in which licensed dental hygienists are allowed to provide services without the direct supervision of a dentist.

Testimony in support of this bill was submitted by the Board of Dental Examiners (Board), Office of Hawaiian Affairs, Early Head Start of West Hawaii, Family Support Services of West Hawaii, Hawaii Dental Hygienists' Association, Hawaii Primary Care Association, and many concerned individuals. The Hawaii Dental Association and many concerned individuals testified in opposition.

Your Committee finds that this bill would expand the public health settings in which a dental hygienist may provide services, to include nursing homes, adult day care centers or assisted living facilities, mental institutions, and nonprofit health clinics. Your Committee finds that this bill would particularly assist the elderly, the poor, and persons living in rural areas who have limited access to dental care.

However, your Committee has reservations that this bill would expand the scope of practice of dental hygienists too broadly. Specifically, your Committee has concerns that the quality of dental care available to our community may be compromised by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Deleting hospitals from the list of public health settings in which dental hygienists may perform services;
- (2) Removing dental screenings from the list of services that dental hygienists may perform in a public health setting;
- (3) Providing that all services provided in a public health setting must be prescreened and authorized by a supervising licensed dentist;
- (4) Specifying that dental hygienists performing in nursing home settings be limited to serving American Society of Anesthesiologists category I patients;
- (5) Requiring dental hygienists to have completed four-hour courses in pharmacology and medical emergencies;
- (6) Removing the provision calling for a Board study of the safety and efficacy aspects of implementation of the bill;
- (7) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2075, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Case, Yoshinaga, Gomes and Meyer.

#### **SCRep. 904 Consumer Protection & Commerce and Health on S.B. No. 2091**

The purpose of this bill is to repeal the sunset date of chapter 431M, Hawaii Revised Statutes (HRS), Mental Health and Alcohol and Drug Abuse Treatment Insurance Benefits.

Testimony in support of this measure was submitted by the Community Alliance on Prisons, Equal Insurance Coalition, Hawaii Medical Association, Hawaii Psychological Association, National Alliance for the Mentally Ill Oahu, Mental Health Association in Hawaii, Hawaii Nurses' Association, Hawaii Government Employees Association, and a concerned individual. The Hawaii Psychiatric Medical Association supported the bill and suggested an amendment. The Department of Health supported the intent of this bill. The Chamber of Commerce provided comments.

Your Committees heard the companion to this bill, H.B. No. 2216, earlier this session, and felt that more discussion was warranted before making mental health and substance abuse benefits permanent. Your Committees accordingly amended the bill to extend the sunset date of chapter 431M, HRS, which was set to take effect on July 1, 2002, to July 1, 2004.

However, in light of compelling testimony, your Committees now believe that rather than extending the sunset provision for two years, it would be in the best interest of the people of Hawaii to include mental health and substance abuse benefits on a permanent basis.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2091 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Yoshinaga, Gomes, Meyer and Kahikina.

**SCRep. 905 Judiciary & Hawaiian Affairs on S.B. No. 2476**

The purpose of this measure is to provide interim revenue for the Office of Hawaiian Affairs pursuant to section 10-13.3, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. Ka Lahui Hawaii submitted testimony in support of the intent of this measure.

Your Committee finds it prudent to further develop the public land trust information system, and then further use the information as a basis to decide on the appropriate financial mechanism to replace that which the Hawaii Supreme Court invalidated in Office of Hawaiian Affairs v. State of Hawaii, 96 Haw. 388 (2001).

Your Committee has added two sections to this bill to amend Act 125 of the 2000 Hawaii Session Laws and Act 165 of the 2001 Hawaii Session Laws, to prevent lapse of funds previously appropriated for a ceded lands inventory. Another new section provides guidance for the Auditor to prioritize information-gathering efforts, with an emphasis on revenue-generating assets, and requires cooperation from other state and county agencies.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2476, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2476, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Yoshinaga, and Whalen.

**SCRep. 906 Judiciary & Hawaiian Affairs on S.B. No. 2477**

The purpose of this bill is to clarify the authority of the Office of Hawaiian Affairs to award grants, and to appropriate interim revenues.

The State Attorney General and the Office of Hawaiian Affairs testified in support of this measure. Ka Lahui Hawaii testified in support of the intent of this measure.

Your Committee finds it appropriate to make explicit the statutory authority of the Office of Hawaiian Affairs to award grants.

Consistent with the recommendation of the Attorney General, your Committee has amended this measure by:

- (1) Specifically providing that Office of Hawaiian Affairs grants are exempt from the requirements of chapters 103D and 103F, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive revisions for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2477, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2477, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Yoshinaga, and Whalen.

**SCRep. 907 Judiciary & Hawaiian Affairs on S.B. No. 2009**

The purpose of the bill is to require an informational meeting as a condition for the issuance of a permit for a halfway house.

Your Committee received testimony in favor of the measure from the Department of Public Safety and the Waianae Neighborhood Board. Testimony in opposition to the measure was submitted by the Department of Health, the Department of Planning and Permitting for the City and County of Honolulu, and the Hawaii Youth Services Network.

Your Committee finds that requiring informational meetings as part of the zoning permit process for halfway houses may develop into a tool used by communities to prevent the establishment of halfway houses within their communities. Nevertheless, your Committee feels citizens have the right to be informed of development in their community.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2009, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2009, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.

**SCRep. 908 Judiciary & Hawaiian Affairs on S.B. No. 2043**

The purpose of the bill is to create a temporary Advisory Task Force (Task Force) to study legal issues relating to hanai adoption and review applicable case law, statutory law, and customary and traditional practices of hanai relationships.

Your Committee received testimony in support of the measure from the Adoption Connection.

Your Committee finds that although hanai adoption is not recognized under current Hawaii law, hanai adoption is a customary practice that is still active in our society.

Your Committee has amended this bill by:

- (1) Requiring that the Task Force, include a member of the foster care and adoption community; and
- (2) Providing a sunset date for the termination of the Task Force.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2043, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2043, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.

#### **SCRep. 909 Judiciary & Hawaiian Affairs on S.B. No. 594**

The purpose of this bill is to:

- (1) Establish the Neurotrauma Advisory Board within the Department of Health (DOH) to assist in the development of programs and services related to neurotrauma, including public education, professional training, research, and creation of a registry;
- (2) Create the Neurotrauma Special Fund (Fund) to be used for funding programs related to neurotrauma;
- (3) Exempt the Fund from government-wide pro rata shares of central service expenses and departmental administrative expenses; and
- (4) Establish surcharges to be imposed on individuals convicted of various traffic safety offenses and to be deposited into the Fund.

Your Committee received testimony in support of this bill from DOH, the Disability and Communication Access Board, State Planning Council on Developmental Disabilities, the Brain Injury Association of Hawaii, the Rehabilitation Hospital of the Pacific, Hawaii Centers for Independent Living, the Craine Institute of Neuropsychology and Rehabilitation, Inc., Hawaii Services for Disabled, a member of the Brain Injury Association, a member of the State Traumatic Brain Injury Advisory Board, and numerous concerned individuals. The Department of Budget and Finance submitted testimony in opposition.

Your Committee has amended this bill as follows:

- (1) Eliminating the surcharge of \$5 to be charged for driving a vehicle at a speed exceeding the maximum speed limit by less than ten miles per hour;
- (2) Further clarifying the purposes of this bill in section 1;
- (3) Amending the definition of "neurotrauma;"
- (4) Increasing the number of members on the Neurotrauma Advisory Board to twenty-one members and amending the board membership composition;
- (5) Imposing surcharges on offenses of driving under the influence of an intoxicant, as set forth in section 291E-61, Hawaii Revised Statutes (HRS), instead of in section 291-4, HRS, which was repealed; and
- (6) Making technical, nonsubstantive amendments for clarity and style only.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 594, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 594, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Case, Yoshinaga, and Whalen.

#### **SCRep. 910 Tourism & Culture on S.B. No. 2382**

The purpose of this bill is to appropriate an unspecified amount of funds for the establishment of a Korean War Museum, provided that funds appropriated are matched at an unspecified ratio with federal or other sources of funding.

The Department of Business, Economic Development, and Tourism and the Office of Veterans Services supported the intent of this bill.

Your Committee recognizes the heroism and sacrifice of those who served in the Korean War. A Korean War Museum would not only honor Korean War veterans, but also attract visitors from the mainland of the United States and Korea as well.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2382, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay and Halford.

**SCRep. 911 Tourism & Culture and Labor & Public Employment on S.B. No. 2556**

The purpose of this bill is to:

- (1) Specify that the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) shall set the duties, responsibilities, holidays, vacations, leaves, hours of work, and working conditions of the Executive Director of the HTA;
- (2) Allows the Board to grant other benefits for the Executive Director as the Board deems necessary; and
- (3) Exempts the Executive Director from the Employees' Retirement System.

The HTA offered comments.

Your Committees have amended this measure by deleting its substance and inserting the contents of H.B. No. 2195, which limits the salary level used in calculating the average final compensation of the Executive Director of the HTA, for retirement purposes, to the level set for state department heads in section 26-52(3), Hawaii Revised Statutes. This bill is retroactive to January 18, 2002.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2556, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2556, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay, and Halford.

**SCRep. 912 Labor & Public Employment on S.B. No. 3077**

The purpose of this measure is to protect the health and safety of the general public through improving the standards of the provision of emergency medical services (EMS). Specifically this bill:

- (1) Requires the Department of Health (DOH) to include, in the standards for EMS, a requirement that ambulance service providers licensed by the State establish and maintain an alcohol and drug abuse policy for employees that is equivalent to those standards established for holders' of commercial drivers' licenses; and
- (2) Requires licensed service providers to establish an employee wellness program for EMS employees.

Honolulu Emergency Services Department and members of the Maui County Council testified in support of this measure. DOH supported the intent of this measure. The United Public Workers opposed this measure.

EMS is a service that provides for the protection of the health, safety, well-being, and general welfare of the public. As such, those providing these services need to be cognizant of their actions at all times. These providers drive large vehicles at high rates of speed, administer controlled substances and life saving, as well as, life threatening medications if used improperly, and are responsible for the well-being of their patients in the pre-hospital setting. Your Committee understands that these responsibilities would be compromised if the EMS employee were intoxicated while performing their duties, presenting a significant threat to the general public.

Although your Committee realizes that substance abuse does occur among EMS employees, your Committee also realizes that statutorily establishing substance abuse policies may present difficulties when it comes to negotiations of collective bargaining agreements. Accordingly, your Committee has amended this measure by:

- (1) Inserting a provision that subjects to negotiations, the alcohol and substance abuse policy established by the provider, when applied to employees under collective bargaining;
- (2) Changing the effective date from upon approval to July 1, 2020, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3077, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3077, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga and Rath.

**SCRep. 913 Energy & Environment Protection on S.B. No. 2908**

The purpose of this bill is to assist Central Oahu Recycling and Disposal Facility, Inc., in acquiring land, planning, designing, and constructing a private solid waste processing, recycling, and disposal facility on Oahu through the issuance of special purpose revenue bonds.

Central Oahu Recycling and Disposal, Inc., Norfolk Group, Inc., Eco-Feed, Inc., and URS Corporation testified in support of this measure. The Department of Health and Board of Water Supply commented on this measure.

In 2000, more than 1,500,000 tons of solid waste was generated on Oahu. Almost half of this waste, 477,408 tons, was disposed at the Waimanalo Gulch Sanitary Landfill (WGSL), the City's last remaining solid waste landfill. However, WGSL is expected to reach its maximum capacity by the end of this year and efforts to expand its landfill space have met with public opposition.

Despite efforts to promote and encourage recycling and the increased use of H-power, tons of solid wastes are still taken to landfills statewide.

Your Committee understands that the project represents an opportunity for recycling and the diversion of solid waste from landfills. It was disclosed that the proposed facility would be diverting, processing, and recycling as much as 80 percent of the solid waste collected by a private refuse company, which would represent approximately 15 percent of Oahu's waste stream.

Although numerous concerns regarding the location of the project were raised and the technical aspects of the proposed facility that may mitigate these concerns were discussed, your Committee feels that these issues are better addressed in the permitting process.

However, there are valid concerns regarding the placing of this facility over a sole source aquifer. Your Committee discussed the possibility of requiring the facility to post a surety bond to cover the cost of water treatment facilities if contamination that can be attributed to the proposed disposal facility occurs. Your Committee encourages further discussion on this matter by the Committee on Finance.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2908, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.  
(Representatives Hale and B. Oshiro voted no.)

#### **SCRep. 914 Energy & Environment Protection on S.B. No. 2266**

The purpose of this measure is to enact a curbside recycling program.

Your Committee finds that chapter 342G-3, Hawaii Revised Statutes states that the goal to reduce the solid waste stream prior to disposal was twenty-five per cent by January 1, 1995 and fifty per cent by January 1, 2000. Presently, Hawaii's solid waste stream diversion is barely at twenty-five per cent, failing to meet stated statutory goals.

Curbside recycling can encourage some participation to help waste stream diversion; however, in most states curbside participation rarely exceeds fifty per cent and current trends show a decline in these programs and participation. Further, your Committee finds that it is not necessary for this concept to be adopted through state statute as each county already has the authority to address and implement curbside recycling as part of its integrated solid waste management plan. The city and county of Honolulu implemented such a demonstration program, which was found to be cost-prohibitive, and the county of Maui will be initiating a curbside program shortly.

Further, your Committee finds that a proven, successful way to boost recycling rates is through the establishment of a beverage container deposit and redemption program. States that have implemented such a program have beverage container recovery rates averaging eighty per cent and have seen litter decrease by sixty-nine to eighty-three per cent. Approximately 800,000,000 beverage containers - glass, plastic, and aluminum cans - are imported, consumed, and discarded in Hawaii. A large number of these containers end up in our landfills. These types of beverages are often consumed away from the home or by tourists and therefore may not be captured through a residential curbside recycling program.

Your Committee also finds that each county faces major landfill siting problems. Solid waste diversion is the only way to extend the life of existing landfills as we continue to seek viable options. While it is important to stress the education component of a "reduce, reuse, and recycling" ethic, education alone cannot accomplish this goal. A beverage container deposit and redemption system provides a financial reward for promoting this kind of ethic and equally distributes the responsibility of proper waste disposal between the distributor, retailer, consumer, and government. A theoretical article by British economist, Ian M. Dobbs, addresses an analysis on fees for the combination of litter reduction and waste management objectives as described in "bottle laws". He states that the private use of waste-generating products imposes two types of costs on society; litter-related costs, and the costs of proper waste management. When private activity imposes costs on other members of society, economists often recommend imposition of a tax to reflect those costs and provide an incentive to reduce the costly behavior. Dobbs argues that no single tax can simultaneously provide the correct incentive for reduction of both litter and waste management costs. Instead, he shows that the theoretically ideal solution is a combination of a disposal tax on products when they are sold, and a subsidy or refund when they are returned for proper disposal. The tax should be equal to the social cost imposed by littering, while the subsidy should be the difference between the cost of littering and the cost of proper disposal of the item. Dobbs's combination of disposal tax and subsidy closely resembles a "bottle law's" combination of deposits and refunds.

Your Committee finds that this "theory" has been applied and proven to work in ten other States and one municipality to improve recovery and recycling rates and reduce litter at a reasonable cost. Therefore, your Committee has amended the bill by:

- (1) Removing the contents of the bill;



- (2) Inserting a framework to implement a beverage container deposit and redemption system statewide.

Specifically, the bill imposes a two cent deposit beverage container fee to be paid by the beverage container importer, and a five cent deposit beverage container refund fee for each glass, plastic, and aluminum beverage containers containing sixty-four ounces or less, except those sold for on-premises consumption. The fees are to be deposited into the beverage container deposit special fund. The fund shall be used to reimburse refund values and pay handling fees to redemption centers, and may also be used to:

- (1) Fund administrative, audit, and compliance activities associated with collection and payment of the deposits and handling fees of the deposit beverage container fee and deposit program;
- (2) Conduct recycling education and demonstration projects;
- (3) Promote recyclable market development activities;
- (4) Support the handling and transportation of the deposit beverage containers to end-markets;
- (5) Hire personnel to oversee the implementation of the deposit beverage container fee and deposit program, including permitting and enforcement activities; and
- (6) Fund associated office expenses.

The bill also provides for the redemption of empty beverage containers and establishes the requirements for recycling facilities and redemption centers.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2266, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2266, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Meyer.

#### **SCRep. 915 Energy & Environment Protection and Judiciary & Hawaiian Affairs on S.B. No. 2484**

The purpose of this bill is to:

- (1) Streamline enforcement provisions on lead-acid battery violations;
- (2) Clarify the disposal options for used tires and the notice requirements to consumers of new tires; and
- (3) Require that tire inventory payments by the rental car industry be paid annually rather than quarterly.

The Department of Health (DOH), Cartel-Hawaii, and the Hawaii Automobile Dealers Association testified in support of this measure.

Tire and lead-acid battery dumping is a growing problem in the state. Not only are these items unsightly and a blight on our pristine environment, but they are also health and environmental hazards. Since the original intent of the law was to give consumers an incentive to leave their old tires and batteries at the dealers rather than taking them home and dumping them, flexibility should also be given to tire retailers to list the costs of disposal as a separate charge in order for them to recoup some of the disposal costs they incur.

Moreover, your Committees feel that DOH needs greater flexibility to enforce lead-acid battery violations and that this measure provides the mechanism for DOH to streamline its enforcement efforts.

Your Committees have amended this measure by making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2484, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2484, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Bukoski, and Meyer.

#### **SCRep. 916 Energy & Environment Protection and Judiciary & Hawaiian Affairs on S.B. No. 2971**

The purpose of the bill is to help preserve and protect the natural environment of Hawaii by:

- (1) Affirming the objective of the State to rid Hawaii of alien invasive species;
- (2) Establishing an administrator/coordinator position for invasive species to better manage the war against invasive species in Hawaii; and
- (3) Providing other statutory means to facilitate the administration of the State's efforts to control invasive species.

The Nature Conservancy of Hawaii and a member of the Maui County Council testified in support of the bill. The Department of Land and Natural Resources, Hawaii Audubon Society, Coordinating Group of Alien Pest Species, Matson Navigation Company, and Animal Rights Hawaii supported the intent of the measure. Abandoned and Feral Cat Friends opposed the bill.

Upon further consideration, your Committees have amended this measure by deleting its substance and inserting the substance of H.B. No. 2212, H.D. 1, which establishes the Hawaii Invasive Species Council (Council) to coordinate state efforts to control and eradicate invasive alien species. Specifically, the bill provides that the Council shall:

- (1) Be composed of the president of the University of Hawaii and the heads of the departments of:
  - (A) Agriculture;
  - (B) Land and Natural Resources;
  - (C) Business, Economic Development, and Tourism;
  - (D) Health;
  - (E) Transportation; and
  - (F) Commerce and Consumer Affairs;
- (2) Invite the participation of representatives of federal agencies and members of the private sector or consult them for advice and assistance in fighting invasive species;
- (3) Coordinate the activities of federal, state, and local governments in eradicating invasive species;
- (4) Promote the State's position with respect to federal issues concerning the entry of alien species into Hawaii;
- (5) Identify and record all invasive species present in Hawaii;
- (6) Identify all moneys expended for the purpose of combating the problem of invasive species; and
- (7) Identify all sources of funding available to the State for this purpose.

Your Committees have further amended this bill by attaching the Council to the Office of the Governor for administrative purposes.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2971, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2971, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Kanoho, Bukoski, Meyer, Ahu Isa, Case, Kanoho, Souki and Auwae.

#### **SCRep. 917 Energy & Environment Protection and Water & Land Use on S.B. No. 2900**

The purpose of this bill is to appropriate funds to continue the efforts of the Emergency Environmental Workforce (Workforce) established under Act 4, Third Special Session of 2001.

The Mayor of the County of Maui, Department of Land and Natural Resources, Department of Health, Research Corporation of the University of Hawaii, the project Coordinator for the Workforce, the Coordinating Group on Alien Pest Species, Maui Invasive Species Committee, Sierra Club Hawaii Chapter, and Hawaii's Thousand Friends testified in support of this measure.

Your Committees find that this bill is a unique approach to environmental protection provided at a substantial cost savings to the State. The continuation of the preventative efforts of the Workforce to eliminate alien pest species will mitigate future costs that would be expended by the State if these invasive species proliferate. Furthermore, the Workforce has played a crucial role in stopping the spread of Dengue fever through clean-up, education, and awareness projects throughout the State. The Workforce is also gainfully employing personnel that would otherwise be paid unemployment benefits at a potentially greater cost to the State without any productivity. The economic impacts felt as a result of agricultural crops lost to invasive insects, revenue lost from the visitor industry, lost worker productivity and increased health care expenses due to the Dengue fever outbreak, and the threat of invasive plant species in our watershed areas are substantial. This bill will help to facilitate proactive solutions to these impacts.

The Department of Health and the Department of Land and Natural Resources also testified that it is their desire to make a concerted effort to locate federal funding for the continuation of the program. However, this is difficult without a State match.

Your Committees have amended this measure by making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2900, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2900, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.

**SCRep. 918 Water & Land Use and Tourism & Culture on S.B. No. 2890**

The purpose of this bill is to allow time sharing units and plans on any property in a county with a population greater than 500,000 where an existing hotel is a valid nonconforming use under county ordinance; provided that the hotel shall consist of at least 60 units and at least 40 per cent are available for sale as residential apartments.

Testimony in support of this measure was received from American Resort Development Association of Hawaii. The City and County of Honolulu Department of Planning and Permitting testified in opposition. The Time Share Administrator of the Department of Commerce and Consumer Affairs submitted comments.

Your Committees have amended this measure by:

- (1) Exempting time share units from the provisions relating to the ownership of parking stalls under section 514A-14.5, Hawaii Revised Statutes, so that county requirements shall apply; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Tourism and Culture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2890, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2890, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Case, Takumi, Halford, Ontai.  
(Representatives Morita, Jaffe and Thielen voted no.)

**SCRep. 919 Human Services and Housing on S.B. No. 2045**

The purpose of this bill is to continue reforms to the law controlling expungement of certain juvenile arrest records by:

- (1) Providing the Family Court with discretion to expunge the arrest record of a minor in all requests for expungement;
- (2) Requiring the court to consult with the prosecuting attorney rather than law enforcement agencies prior to ordering expungement of the arrest record of a matter that was never referred to court; and
- (3) Clarifying that a request for expungement of a person's arrest record may be made by the person as a minor through his parent or guardian, or as an adult.

The Attorney General, Department of the Prosecuting Attorney, and Juvenile Justice Information Committee submitted testimony in support of this measure. The Office of the Public Defender submitted comments.

Your Committee finds that this bill is supported by the members of the Juvenile Justice Information Committee, who are currently evaluating the circumstances under which juvenile arrest records should be expunged.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2045 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kahikina, Takai and Stonebraker.

**SCRep. 920 Human Services and Housing on S.B. No. 2139**

The purpose of this bill is to appropriate funds to increase the number of child subsidies available through the Preschools Open Doors Program (Program).

The Office of the Lieutenant Governor, Hawaii Association for the Education of Young Children, Good Beginnings Alliance, Hawaii Kids Watch, and Blueprint for Change submitted testimony in support of the measure. The Department of Human Services supported the intent of this measure.

Your Committee finds that the Program is very popular and enables many children to attend preschool who might not have been able to without a subsidy. Your Committee recognizes that in light of the economic downturn, additional subsidies would benefit families where one or both parents have lost their jobs.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2139, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and McDermott.  
(Representative Stonebraker voted no.)

**SCRep. 921 Human Services and Housing on S.B. No. 2568**

The purpose of this bill is to comply with Title VI of the Civil Rights Act of 1964 by providing assistance to persons with limited English proficiency. Specifically, this measure:

- (1) Establishes the Hawaii Commission on Language Access to develop a statewide plan to enhance access to services for persons with limited English proficiency; and
- (2) Allocates funding to the Departments of Health and Human Services to improve their ability to provide services, programs, and activities to persons with limited English proficiency.

The Hawaii Civil Rights Commission, Catholic Charities, Community and Immigrant Services, Na Loio, and the Inter-Agency Council for Immigrants testified in support of the bill. The Department of Budget and Finance opposed the measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2568, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and McDermott.

**SCRep. 922 Human Services and Housing on S.B. No. 2867**

The purpose of this bill is to set Medicaid payments within limits of appropriations at a level that more fairly compensates providers by bringing payments closer to the actual costs of quality care offered by providers who must survive financially to continue to treat Medicaid patients.

Specifically, this measure:

- (1) Prohibits the Department of Human Services (DHS) from implementing any Medicaid plan amendments to eliminate one-half of the DRI McGraw-Hill inflation component or the return of equity until the federal government allows reimbursement payments to providers that are closer to the actual cost of care;
- (2) Requires DHS to set implementation dates for:
  - (A) The elimination of one-half of the DRI McGraw-Hill inflation component and the return on equity; and
  - (B) A program to bring reimbursements to providers closer to the actual costs of care;
- (3) Requires DHS per capita payment-negotiations with QUEST health care providers to be on an increasing factor; and
- (4) Makes unspecified general and federal funds appropriations to DHS to bring reimbursements to providers closer to the actual costs of care for Medicaid recipients.

The Healthcare Association of Hawaii, Hawaii Health Systems Corporation, Chamber of Commerce of Hawaii, Hawaii Long Term Care Association, Hawaii Primary Care Association, and the Hawaii Nurses' Association supported this bill. DHS and the Department of Budget and Finance commented on this measure.

Health care providers serve a vital public purpose, which is to maintain the health of the community at a desirable level. In these times of depressed revenues and rising costs, your Committee finds that equity requires Medicaid to share the financial burden of the health care providers who tend to the aged, blind, and disabled sector of our community.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2867, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Yonamine, and McDermott.

**SCRep. 923 Human Services and Housing and Health on S.B. No. 2027**

The purpose of this bill is to alleviate the costs of prescription drugs for low-income individuals by:

- (1) Establishing the Medicaid Prescription Drug Rebate Special Fund (Special Fund);
- (2) Establishing the Medicaid Prescription Drug Expansion Program (Program) that will offer discounted prescription drugs to qualified individuals whose income is at or below 300 percent of the federal poverty level;
- (3) Requiring that the Department of Human Services (DHS) deposit into the Special Fund the State's portion of Medicaid rebates that have not been deposited into the general fund;
- (4) Appropriating funds to pay \$1 for each prescription written to a qualified individual;
- (5) Appropriating funds for the administrative costs of the Program; and

- (6) Appropriating funds for front-loading the cost of the Program.

NAMI Oahu, Hawaii State Teachers Association, Healthcare Association of Hawaii, and several concerned individuals testified in support of this measure. DHS, the Executive Office on Aging, Longs Drug Stores, and several concerned individuals supported the intent of this measure.

The Department of Budget and Finance and Pharmaceutical Research and Manufacturers of America submitted testimony in opposition of this measure. A concerned citizen submitted comments.

Your Committees find that prescription drugs are increasing in cost and becoming even more exorbitant, particularly for low-income individuals on fixed incomes. Something must be done on the state level to provide relief from the high cost of prescription drugs.

Several other states have implemented programs similar to the one proposed in this measure and have been very successful in providing low-cost prescription drugs at a relatively low cost to the State. It is estimated that for every \$1,000,000 spent by the State on this Program, consumers will save at least \$12,000,000 in the cost of prescription drugs. The cost-savings will allow individuals to spend their money elsewhere.

Your Committees have amended this bill by:

- (1) Changing the references to the chapter in the Hawaii Revised Statutes that relates to DHS, the appropriate agency, instead of the Department of Health;
- (2) Consolidating the appropriations into one and removing the appropriation for front-loading the cost of the Program;
- (3) Specifying within the appropriation that DHS will hire eight employees to administer the Program;
- (4) Specifying that the appropriations shall be repaid to the general fund by the Program by the end of fiscal year 2005 if the manufacturers rebates are sufficient;
- (5) Changing the effective date to July 1, 2002; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2027, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2027, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and McDermott.  
(Representative Stonebraker voted no.)

#### **SCRep. 924 Human Services and Housing and Health on S.B. No. 2026**

The purpose of this bill is to appropriate funds to provide adequate Medicaid reimbursement to hospitals and physicians who provide medical services to Medicaid and QUEST participants.

The Hawaii Primary Care Association, Healthcare Association of Hawaii, The Chamber of Commerce of Hawaii, Hawaii Medical Service Association, NAMI Oahu, and Hawaii Psychiatric Medical Association testified in support of this measure. The Hawaii Health Systems Corporation submitted testimony supporting the intent of this measure.

The Department of Human Services and Department of Budget and Finance opposed this measure.

Your Committees find that the Medicaid reimbursement rate is often below 80 percent of the cost of care. Health care providers are suffering financially, in part because they are unable to recover the full cost of patient care, and often suffer losses.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2026, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Auwae, and McDermott.

#### **SCRep. 925 Human Services and Housing and Health on S.B. No. 2140**

The purpose of this measure is to provide presumptive eligibility for Medicaid or QUEST coverage to pregnant women for prenatal care and other medically indicated services.

The Hawaii State Commission on the Status of Women, March of Dimes Hawaii Chapter, MothersCare For Tomorrow's Children, Good Beginnings Alliance, Kokua Kalihi Valley, Healthy Mothers, Healthy Babies Coalition of Hawaii, Hawaii Kids Watch, Hawaii Council on a Substance Abuse Free Environment, Kokua Council, Blueprint for Change, Hawaii Nurses' Association, and several concerned individual testified in support of this measure. Hawaii Primary Care Association supported the intent of this measure.

The Department of Human Services (DHS) opposed this measure.

Your Committees believe that early and continuous prenatal care for pregnant women is the primary cost-effective method for preventing low birthweight in infants and poor birth outcomes. Having a low birthweight infant has been determined to be among the three most expensive hospital stays.

Pregnant women were presumed eligible for prenatal Medicaid care prior to the inception of the QUEST program in 1994. That presumption did not carry over to QUEST, which has caused lengthy processing delays under QUEST.

Your Committees have amended this measure by:

- (1) Removing the requirement that applicants show proof of an annual income at or below the maximum allowable by federal law and under the section 1115 waiver;
- (2) Removing the requirement that the applicant show proof of a pregnancy test or health care examination indicating pregnancy;
- (3) Simplifying the presumptive eligibility requirement to applicants that are Medicaid eligible;
- (4) Appropriating funds for DHS to hire additional eligibility workers and clerks for each island to manage the additional caseload; and
- (5) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2140, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2140, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and McDermott.

#### **SCRep. 926 Human Services and Housing and Health on S.B. No. 2039**

The purpose of this bill is to allow a sibling, or the sibling's representative if the sibling is a minor, to file a petition with the court for an order of reasonable visitation rights.

Volunteer Legal Services Hawaii, Keiki Injury Prevention Coalition, and Hawaii Foster Youth Coalition submitted testimony in support of this measure. The Attorney General testified in opposition of this measure. The Department of Human Services and the Judiciary submitted comments.

Your Committees believe that siblings should be offered the opportunity to contact each other after being separated because of adoption or foster care. However, several testifiers preferred the approach taken in H.B. 1864, H.D. 1.

Accordingly, your Committees have replaced the contents of this bill with the substance of H.B. 1864, H.D. 1. Specifically, this bill was amended by:

- (1) Removing the language that would have established a new section in the Hawaii Revised Statutes detailing the process in which a sibling would file for visitation rights and the awarding of visitation;
- (2) Removing the provision that would include any individual who was a sibling prior to the termination of parental rights or prior to adoption; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2039, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2039, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takai and McDermott.

#### **SCRep. 927 Human Services and Housing and Health on S.B. No. 2498**

The purpose of this bill is to further regulate the practice of social work to protect the welfare of Hawaii's citizens by:

- (1) Creating three tiers of licensing for social workers;
- (2) Amending the current law to reflect the updated terminology and scope of practice;
- (3) Exempting certain individuals from licensure;
- (4) Updating the licensing requirements by detailing education and experience requirements;
- (5) Updating the examination for license requirements; and

- (6) Repealing the sunset date on social workers' authority to perform clinical diagnosis or psychotherapy.

The National Association of Social Workers, Hawaii Chapter, Hawaii Youth Services Network, Clinical Social Work Society of Hawaii, and several concerned individuals testified in support of this measure. The Hawaii Nurses' Association supported the intent of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committees recognize that social workers play an important role in society by providing necessary mental health and substance abuse services.

Your Committees have amended this bill by deleting its substance except for the sunset provision.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2498, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2498, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Takai and McDermott.  
(Representative Stonebraker voted no.)

#### **SCRep. 928 Health on S.B. No. 2416**

The purpose of this bill is to make long-term care services available for most of Hawaii's citizens by:

- (1) Establishing the Hawaii Long-Term Care Financing Program (Program), under which a long-term care income tax would be assessed to provide an affordable system of long-term care;
- (2) Establishing a Board of Trustees (Board) to administer the Program, other than the assessment, levy, and collection of the long-term care income tax;
- (2) [sic] Requiring \$10 per month to be withheld by employers as a long-term care income tax, subject to a five percent annual increase for the first five years of the Program, with possible increases thereafter;
- (3) Establishing the Hawaii Long-Term Care Benefits Fund for long-term care income tax collection deposits; and
- (4) Appropriating funds to implement the collection of the long-term care income tax, which shall be repaid in five years, beginning July 1, 2002.

Your Committee circulated a proposed H.D. 1 at the public hearing, which amends the bill by:

- (1) Using an income-based tax assessment based on an annual adjusted gross income of at least \$10,000 and requires that the individual file a resident tax return;
- (2) Broadening the scope of the "long-term care services" definition;
- (3) Requiring the Department of Taxation (DOTAX) to submit an annual list of contributors to the Program; and
- (4) Allowing the contracted administrator to supply and maintain computer systems holding subscriber records.

The Department of Commerce and Consumer Affairs, Department of Human Services, Executive Office on Aging, Hawaii State Commission on the Status of Women, Hawaii Catholic Conference, Hawaii Alliance for Retired Americans, Kokua Council, Coalition for Affordable Long Term Care, Healthcare Association of Hawaii, and several concerned individuals testified in support of the proposed H.D. 1. The Policy Board for Elder Affairs supported the intent of the proposed H.D. 1.

The Chamber of Commerce of Hawaii, Hawaii Reserves, Inc., Legislative Information Services of Hawaii, and several concerned individuals testified in opposition of the proposed H.D. 1. DOTAX, the Office of Information Practices, ILWU Local 142, and the Tax Foundation of Hawaii submitted comments.

Hawaii's population is aging rapidly, at a rate faster than the rest of the nation. Long-term care has become a necessity. However, individuals need to be educated on its importance. A small percentage of the population has long-term care insurance coverage.

Your Committee believes that a mandatory assessment for long-term care coverage will enable every citizen of Hawaii to benefit from some financial relief should the need for long-term care arise. At the same time, your Committee understands that further research is needed.

After further consideration, your Committee amended this bill by deleting its substance, inserting the contents of the proposed H.D. 1, and:

- (1) Restructuring the bill by creating the Program in a new chapter in the Hawaii Revised Statutes;
- (2) Increasing the number of Board members from five to seven;
- (3) Specifying that the Board seek public input during the planning process and also conduct a public educational program to inform individuals on the importance of long-term care;

- (4) Instead of stipulating the details of the \$10 long-term care income tax, premium increases, benefit payment specifications, and vesting requirements, requiring the Board to consider these factors in developing a income tax based funding mechanism for the Program;
- (5) Making the Board responsible the planning, development, and implementation of the Program, subject to the Legislature's approval; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2416, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kahikina.  
(Representative Stonebraker voted no.)

#### **SCRep. 929 Health on S.B. No. 2302**

The purpose of this bill, as received, is to stabilize skyrocketing health insurance costs by regulating rates.

The Department of Commerce and Consumer Affairs and Kokua Council testified in support of the measure. Kanoelehua Industrial Area Association opposed the measure.

Your Committee circulated a proposed H.D. 1 at the public hearing, which:

- (1) Establishes the State Health Authority (Authority) whose primary purpose is to provide state-funded medical assistance for individuals with incomes up to 300 percent of the federal poverty level, and by July 1, 2004, purchase health care for all residents of the State; and
- (2) Makes the Authority responsible for collecting funds for the purchase of health care.

The Hawaii Primary Care Association, Kokua Kalihi Valley, and a concerned individual testified in support of the proposed H.D. 1. The Healthcare Association of Hawaii supported the intent of the proposed H.D. 1.

Hawaii Dental Service, Hawaii Insurers Council, Hawaii Disability Rights Center, Legislative Information Services of Hawaii, and the American Council of Life Insurers testified in opposition of the proposed H.D. 1. The Office of Information Practices submitted comments.

Your Committee finds that the idea of statewide health care coverage has been brought up before, but was never pursued. Your Committee believes that this is an important concept to the citizens of Hawaii and that options should be explored.

Accordingly, your Committee has further amended the proposed H.D. 1, to:

- (1) Initially establish the Authority to develop a plan for providing medical assistance to all citizens;
- (2) Include the public's input in the Authority's planning and development;
- (3) Specify that the Authority submit a proposal to the Legislature no later than twenty days prior to the Regular Session of 2004 and necessary legislation to implement the program prior to the Regular Session of 2005;
- (4) Specify that the Authority be ready to implement the program by July 1, 2005; and
- (5) Make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2302, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2302, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the.  
(Representatives McDermott and Stonebraker voted no.)

#### **SCRep. 930 Education and Higher Education on S.B. No. 2060**

The purpose of this bill is to:

- (1) Appropriate funds to the University of Hawaii at Manoa Curriculum Research and Development Group (CRDG) to produce a strategic analysis report on the educational materials production industry in Hawaii;
- (2) Appropriate funds to CRDG for a permanent marketing position; and
- (3) Clearly establish a state policy to identify, track, analyze, and support public and private organizations that are capable of providing high-quality, marketable educational services that may generate economic benefits.



CRDG and the Hawaii Educational Policy Center submitted testimony in support of this bill with amendments. The Hawaii State Teachers Association submitted testimony in support of the intent of this bill. The Department of Education submitted comments on this bill.

Upon further consideration, your Committees have amended this bill by deleting the appropriations to CDRG. Other technical, nonsubstantive amendments were made for clarity, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2060, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2060, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Bukoski, McDermott, Ontai, and Stonebraker.

#### **SCRep. 931 Education and Public Safety & Military Affairs on S.B. No. 2792**

The purpose of this bill is to maintain more effectively a safe environment for library patrons and employees by transferring public safety functions and employees from the Department of Public Safety (PSD) to the Department of Education and the Hawaii State Public Library System.

PSD and the State Librarian testified in support of the measure.

As affirmed by the records of votes of the members of your Committees on Education and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2792, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Takumi, Bukoski, McDermott, Stonebraker, Saiki, Pendleton, and Rath.

#### **SCRep. 932 Education and Labor & Public Employment on S.B. No. 2012**

The purpose of this bill is to amend Act 308, Session Laws of Hawaii 2001, to allow the Department of Education (DOE) to rehire teachers after one year of retirement.

The Office of the Lieutenant Governor, DOE, Hawaii Teacher Standards Board, Hawaii State Teachers Association, and the Hawaii Business Roundtable testified in support of this measure.

Your Committees recognize that there is a teacher shortage and that Act 308 provided an incentive for experienced teachers who have retired to return to teaching after two years without penalizing their retirement benefits. However, some suggest that the longer a teacher has been out of the classroom, the less likely they will return.

Your Committees have amended this bill by:

- (1) Inserting a sunset date of June 30, 2007; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2012, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2012, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina, Bukoski, McDermott, Ontai, Stonebraker, Souki, Yoshinaga and Pendleton.

#### **SCRep. 933 Education and Labor & Public Employment on S.B. No. 2055**

The purpose of this bill is to clarify that:

- (1) The Hawaii Teachers Standards Board (HTSB) has jurisdiction over all matters concerning the issuance and revocation of teacher licenses; and
- (2) The Department of Education (DOE) has jurisdiction over all matters concerning the issuance and revocation of certificates issued to individuals who are not required to obtain a teacher license.

The Office of the Lieutenant Governor submitted testimony in support of this bill. DOE, HTSB, and the Hawaii State Teachers Association submitted testimony in support of this bill with amendments. An individual submitted testimony in opposition to this bill.

Upon further consideration, your Committees have amended this bill by deleting its contents and inserting the substance of H.B. No. 2165, H.D. 1, which was reported from the House and is being considered by the Senate. As amended, this bill:

- (1) Replaces deleted references to teaching credentials;

- (2) Specifies that DOE and the Department of Human Resources Development shall facilitate the transfer as well as the establishment of positions as required by HTSB;
- (3) Changes the effective date to take effect upon approval; and
- (4) Makes other technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2055, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2055, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Kahikina, Bukoski, McDermott, Ontai, Stonebraker, Souki, Yoshinaga and Pendleton.

#### **SCRep. 934 Consumer Protection & Commerce on S.B. No. 2883**

The purpose of this bill is to fill a gap in the insurance law that will be created upon the expiration of federal law relating to limited licensing, by authorizing the Insurance Commissioner (Commissioner) to issue rental car companies a limited license to sell insurance only in connection with and incidental to the rental of vehicles.

In addition to authorizing the selling of insurance by rental car companies, this bill:

- (1) Requires rental car companies to train and supervise licensed employees regarding the sale of rental car-related insurance coverage;
- (2) Requires rental car companies to provide consumers with complete written disclosure regarding the terms of coverage and the process of filing a claim; and
- (3) Authorizes the Commissioner to suspend or revoke licenses and impose penalties for noncompliance.

The Hertz Corporation and Avis Rent a Car Systems, Inc. testified in support of this measure. Catrala testified in support and suggested amendments. The Commissioner on behalf of the Department of Commerce and Consumer Affairs (DCCA) submitted testimony supporting the intent of this measure and suggesting amendments. The Office of Consumer Protection of DCCA opposed the measure as currently drafted but concurred with the Commissioner's proposed amendments.

Your Committee finds that this bill would provide important consumer protections in connection with sales of insurance related to the rental of motor vehicles. However, your Committee is also aware that the Insurance Division, Office of Consumer Protection, and industry representatives have been unable to reach a consensus on the bill.

To allow the parties to continue their discussion, your Committee has amended this measure by changing its effective date to July 1, 2009. Technical, nonsubstantive amendments have also been made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, S.D. 1, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as S.B. No. 2885, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Case, Yoshinaga, Gomes, and Meyer.  
(Representative Morita voted no.)

#### **SCRep. 935 Consumer Protection & Commerce on S.B. No. 2733**

The purpose of this bill is to clarify and make consistent the State's new insurance producer licensing law and related insurance laws.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs, Hawaii Independent Insurance Agents Association, and National Association of Insurance and Financial Advisors.

Your Committee finds that the Producer Licensing Act (PLA) was enacted pursuant to Act 216, Session Laws of Hawaii, 2001, in response to the federal Gramm-Leach-Bliley Financial Services Modernization Act of 1999. PLA is effective on July 1, 2002, and replaces the various regulatory schemes governing general agents, subagents, and solicitors, with a single licensing scheme for insurance producers. PLA allows Hawaii to join with the more than 40 states that have adopted similar licensing statutes, and the uniformity and reciprocity thereby provided will help to modernize the nation's insurance industry.

Your Committee further finds that this measure reconciles inconsistencies between the Insurance Code and the Act. This measure also reauthorizes the licensing of managing general agents, which authority was inadvertently repealed by Act 216, SLH 2001.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2733, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2733, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes, and Meyer.

**SCRep. 936 Judiciary & Hawaiian Affairs on S.B. No. 2438**

The purpose of this bill is to prohibit employer discrimination against actual or perceived victims of domestic abuse or sexual violence while also recognizing legitimate employer interests related to the safety of all persons in the workplace.

More specifically, this measure:

- (1) Enables a victim of domestic or sexual violence to take paid or unpaid leave to:
  - (A) Seek medical treatment;
  - (B) Obtain services related to the violence;
  - (C) Obtain counseling;
  - (D) Relocate; or
  - (E) Take legal action;
- (2) Upholds the provisions of any collective bargaining agreement, employment agreement, or employment benefits plan that contains equal or greater benefits or rights regarding protection from domestic or sexual violence;
- (3) Prohibits an employer from discriminating against an employee who is a victim of domestic or sexual violence;
- (4) Allows an individual to obtain unemployment insurance benefits if the individual suffers a loss of employment status as a consequence of domestic or sexual violence;
- (5) Provides training for unemployment insurance claims reviewers and hearing personnel so that they comprehend the nature and dynamics of domestic or sexual violence and understand how to interact with victims of such violence; and
- (6) Establishes a workplace safety program income tax credit up to a certain per cent of the costs associated with domestic or sexual violence safety and education training as an incentive for employers to help prevent such violence.

The Hawaii State Commission on the Status of Women, Hawaii State Coalition Against Domestic Violence, Domestic Violence Clearinghouse and Legal Hotline, and concerned individuals testified in support of the bill. The Hawaii Civil Rights Commission and Hawaii Women Lawyers supported the intent of the measure. The Department of Taxation, Department of Labor and Industrial Relations, and Society for Human Resource Management-Hawaii Chapter opposed the bill.

Your Committee finds that the measure is intended to address the concern that the problems of domestic abuse and sexual violence often follow the victim to the workplace. Although the various testifiers have reached a consensus about the language of the bill, further discussion remains necessary to craft a measure satisfactory to all parties involved.

Your Committee has amended this bill by:

- (1) Deleting the term "domestic or sexual violence" and its definition;
- (2) Adding the term "dating relationship" and its definition;
- (3) Deleting the term "domestic violence" and its definition and replacing it with the term "domestic abuse" and its definition;
- (4) Adding the term "extreme psychological abuse" and its definition;
- (5) Amending the definition of the term "family or household member";
- (6) Adding the term "malicious property damage" and its definition;
- (7) Adding the term "sexual violence" and its definition;
- (8) Adding the term "victim of domestic abuse" and its definition;
- (9) Adding the term "victim of sexual violence" and its definition;
- (10) Limiting the category of individuals covered for the purpose of unemployment insurance to the victim and the victim's minor child domiciled with the child;
- (11) Limiting the situations covered for the purpose of unemployment insurance to only voluntary separations;
- (12) Requiring the victim to register for work and be deemed to be seeking work;
- (13) Eliminating the requirement that unemployment insurance claims reviewers and hearing personnel receive training about domestic abuse and sexual violence;

(14) Eliminating the provision for the workplace safety program income tax credit; and

(15) Changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2438, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Yoshinaga, and Whalen.

#### **SCRep. 937 Higher Education on H.R. No. 43**

The purpose of this resolution is to request the University of Hawaii at Hilo (UH-Hilo) and the Department of Business, Economic Development, and Tourism (DBEDT) to study the feasibility of implementing a school of pharmacy at UH-Hilo.

UH-Hilo and the Hawaii Pharmacists Association submitted testimony in support of this measure. DBEDT submitted comments on this measure.

Your Committee finds that there is a severe shortage of pharmacists nationwide and locally, especially in rural areas. The State must investigate ways to alleviate this shortage, and studying the feasibility of creating a school of pharmacy at UH-Hilo will begin this necessary process.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 43 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kahikina, Ontai and Stonebraker.

#### **SCRep. 938 Higher Education on H.C.R. No. 74**

The purpose of this concurrent resolution is to request the University of Hawaii at Hilo (UH-Hilo) and the Department of Business, Economic Development, and Tourism (DBEDT) to study the feasibility of implementing a school of pharmacy at UH-Hilo.

UH-Hilo and the Hawaii Pharmacists Association submitted testimony in support of this measure. DBEDT submitted comments on this measure.

Your Committee finds that there is a severe shortage of pharmacists nationwide and locally, especially in rural areas. The State must investigate ways to alleviate this shortage, and studying the feasibility of creating a school of pharmacy at UH-Hilo will begin this necessary process.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 74 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kahikina, Ontai and Stonebraker.

#### **SCRep. 939 Legislative Management on H.R. No. 40**

The purpose of this resolution is to enable residents of the Neighbor Islands to testify at public hearings scheduled on Oahu by requesting the High Technology Development Corporation (HTDC) to study:

- (1) The scope and adequacy of the State's videoconferencing capability; and
- (2) The feasibility of and requirements for providing additional videoconferencing capability to enable residents of the Neighbor Islands to testify at Public hearings scheduled on Oahu.

The HTDC testified in support of this bill.

Your Committee learned that HTDC would need \$25,000 to perform this study that could be accommodated by its inclusion in the budget bill during conference.

Your Committee has amended this resolution by:

- (1) Changing the title to "REQUESTING THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION TO STUDY THE SCOPE AND ADEQUACY OF THE STATE'S VIDEOCONFERENCING CAPABILITY AND THE FEASIBILITY OF PROVIDING ADDITIONAL VIDEOCONFERENCING CAPABILITY AND INTERACTIVE MULTIMEDIA METHODS FOR PUBLIC HEARINGS AND PUBLIC AGENCY MEETINGS;"
- (2) Requesting that HTDC expand its study to include:
  - (a) The feasibility and impacts, if any of including public agency meetings as an additional user; and
  - (b) The costs and technology for providing other interactive multimedia methods for Neighbor Island residents;

and

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 40, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 40, H.D. 1.

Signed by all members of the Committee.

**SCRep. 940 Legislative Management on H.C.R. No. 71**

The purpose of this concurrent resolution is to enable residents of the Neighbor Islands to testify at public hearings scheduled on Oahu by requesting the High Technology Development Corporation (HTDC) to study:

- (1) The scope and adequacy of the State's videoconferencing capability; and
- (2) The feasibility of and requirements for providing additional videoconferencing capability to enable residents of the Neighbor Islands to testify at Public hearings scheduled on Oahu.

The HTDC testified in support of this bill.

Your Committee learned that HTDC would need \$25,000 to perform this study that could be accommodated by its inclusion in the budget bill during conference.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title to "REQUESTING THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION TO STUDY THE SCOPE AND ADEQUACY OF THE STATE'S VIDEOCONFERENCING CAPABILITY AND THE FEASIBILITY OF PROVIDING ADDITIONAL VIDEOCONFERENCING CAPABILITY AND INTERACTIVE MULTIMEDIA METHODS FOR PUBLIC HEARINGS AND PUBLIC AGENCY MEETINGS;"
  - (2) Requesting that HTDC expand its study to include:
    - (a) The feasibility and impacts, if any of including public agency meetings as an additional user; and
    - (b) The costs and technology for providing other interactive multimedia methods for Neighbor Island residents;
- and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 71, H.D. 1.

Signed by all members of the Committee.

**SCRep. 941 Economic Development & Business Concerns on H.R. No. 21**

The purpose of this resolution is to declare the House of Representatives' opposition to the proposed merger between Hawaiian Airlines and Aloha Airlines.

Testimony in support of this measure was submitted by the American Society of Travel Agents, La'ieikawai Association, Inc., Citizens for Competitive Air Travel, the Representative of the 4<sup>th</sup> District, and eleven concerned citizens. Testimony in opposition to this measure was submitted by the Hawaii Tourism Authority, Hawaii Air Cargo, Inc., Air Line Pilots Association Council 80-Aloha Airlines, and TurnWorks, Inc.

Your Committee has amended this measure by deleting its contents and replacing it with the following provisions:

- (1) The House of Representatives expressing its concern over the proposed merger of Hawaiian Airlines and Aloha Airlines; and
- (2) The House of Representatives requesting the Attorney General and the United States Department of Justice to determine whether any reasonable alternatives to the proposed merger exist that would preserve a multicarrier market, and, if such alternatives exist, to disapprove the merger.

Your Committee has further amended this measure by changing the title to read:

"EXPRESSING THIS BODY'S CONCERN OVER THE PROPOSED CONSOLIDATION OF THE HAWAII INTERISLAND AIR TRANSPORTATION MARKET BY MERGER OF HAWAIIAN AIRLINES AND ALOHA AIRLINES INTO A SINGLE PRINCIPAL CARRIER, AND REQUESTING THE ATTORNEY GENERAL AND THE UNITED STATES DEPARTMENT OF

JUSTICE TO DETERMINE WHETHER REASONABLE ALTERNATIVES TO THE PROPOSED MERGER EXIST TO PRESERVE A MULTICARRIER MARKET AND, IF SO, TO DISAPPROVE THE MERGER."

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 21, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.R. No. 21, H.D. 1.

Signed by all members of the Committee.

**SCRep. 942 Economic Development & Business Concerns on H.C.R. No. 38**

The purpose of this concurrent resolution is to declare the Legislature's opposition to the proposed merger between Hawaiian Airlines and Aloha Airlines.

Testimony in support of this measure was submitted by the American Society of Travel Agents, La'ieikawai Association, Inc., Citizens for Competitive Air Travel, the Representative of the 4<sup>th</sup> District, and eleven concerned citizens. Testimony in opposition to this measure was submitted by the Hawaii Tourism Authority, Hawaii Air Cargo, Inc., Air Line Pilots Association Council 80-Aloha Airlines, and TurnWorks, Inc.

Your Committee has amended this measure by deleting its contents and replacing it with the following provisions:

- (1) The Legislature expressing its concern over the proposed merger of Hawaiian Airlines and Aloha Airlines; and
- (2) The Legislature requesting the Attorney General and the United States Department of Justice to determine whether any reasonable alternatives to the proposed merger exist that would preserve a multicarrier market, and, if such alternatives exist, to disapprove the merger.

Your Committee has further amended this measure by changing the title to read:

"EXPRESSING THE HAWAII STATE LEGISLATURE'S CONCERN OVER THE PROPOSED CONSOLIDATION OF THE HAWAII INTERISLAND AIR TRANSPORTATION MARKET BY MERGER OF HAWAIIAN AIRLINES AND ALOHA AIRLINES INTO A SINGLE PRINCIPAL CARRIER, AND REQUESTING THE ATTORNEY GENERAL AND THE UNITED STATES DEPARTMENT OF JUSTICE TO DETERMINE WHETHER REASONABLE ALTERNATIVES TO THE PROPOSED MERGER EXIST TO PRESERVE A MULTICARRIER MARKET AND, IF SO, TO DISAPPROVE THE MERGER."

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 38, as amended herein, and recommends that it be referred to the Committee on Transportation in the form attached hereto as H.C.R. No. 38, H.D. 1.

Signed by all members of the Committee.

**SCRep. 943 Public Safety & Military Affairs on H.C.R. No. 65**

The purpose of this concurrent resolution is to urge the United States Navy to maintain its initiative and responsibility to clear Kaho'olawe of unexploded ordnance beyond the date it is currently scheduled to be turned over to the State.

Your Committee received testimony support of this measure from the Kaho'olawe Island Reserve Commission and a concerned individual.

Your Committee finds that as the date of the turnover of Kaho'olawe to the State rapidly approaches, the Navy is far behind in fulfilling its obligation to remove all unexploded ordnance remaining on the island. Therefore, any future uses envisioned by the State will be adversely affected by the potential danger and liability from remaining unexploded ordnance.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Souki.

**SCRep. 944 Public Safety & Military Affairs on H.C.R. No. 62**

The purpose of this concurrent resolution is to request the Department of Public Safety, with the assistance of the Hawaii Criminal Justice Data Center, to compare the recidivism rates of inmates transferred to mainland correctional facilities with similarly situated inmates who remained incarcerated in Hawaii.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that the transfer of inmates to mainland correctional facilities has never been studied to see if it has any merits or demerits on topics beyond the obvious reduction in overcrowding. Over the years, various facilities have been contracted with, and in the future the results of this study will be useful to compare the various proposals. Furthermore, once the effect (if any) on recidivism is known, it may be possible to improve State facilities by comparing and contrasting them with mainland facilities.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 945 Public Safety & Military Affairs on H.C.R. No. 35**

The purpose of this concurrent resolution, as received, is to request a Congressional Resolution urging Congress to:

- (1) Earmark appropriations for military and security preparations and operations to implement a peacemaking process; and
- (2) Convene a worldwide conference of peacemakers in Hawaii, jointly hosted by the United Nations, State of Hawaii, and Matsunaga Institute of Peace.

Your Committee received testimony in support of this measure from the Center for Primary Dispute Resolution and five concerned individuals. The Chamber of Commerce of Hawaii submitted testimony supporting the intent of this measure.

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

- (1) Deleting references to the earmarking of federal defense spending appropriations;
- (2) Amending the measure's title to reflect the deletion as follows: "HOUSE CONCURRENT RESOLUTION REQUESTING A CONGRESSIONAL RESOLUTION URGING THE CONVENING OF A WORLDWIDE CONFERENCE OF PEACEMAKERS IN HAWAII";
- (3) Designating the Matsunaga Institute of Peace at the University of Hawaii at Manoa as one of the co-hosts of the worldwide conference;
- (4) Providing the Matsunaga Institute of Peace with a certified copy of the measure; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 35, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 35, H.D. 1.

Signed by all members of the Committee except Representative Souki.

**SCRep. 946 Public Safety & Military Affairs on H.C.R. No. 50**

The purpose of this concurrent resolution, as received by your Committee, is to request the Legislative Reference Bureau (LRB) to study safety and security concerns at the Waipahu Civic Center Complex and the Kapolei State Office Building.

Your Committee received testimony in support of this measure from the Department of Public Safety (PSD), Department of Education, Hawaii Government Employees Association, and numerous concerned individuals. LRB submitted comments.

Your Committee finds that the concerns of public employees working in these buildings are compelling. However, the LRB is not equipped or staffed to carry out a study of this nature.

PSD has completed a review of the buildings within the Waipahu Civic Center Complex and has scheduled visits to the Kapolei State Office Building. Your Committee hopes that this measure will expedite a review in other state office buildings where workers conduct business directly with the public.

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

- (1) Requesting PSD to conduct the study instead of LRB;
- (2) Expanding the scope of the measure to include other state office buildings where state workers conduct business directly with the public;
- (3) Amending its title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO STUDY SAFETY AND SECURITY CONCERNS AT THE WAIPAHU CIVIC CENTER COMPLEX, THE KAPOLEI STATE OFFICE BUILDING, AND OTHER STATE OFFICE BUILDINGS WHERE STATE WORKERS CONDUCT BUSINESS DIRECTLY WITH THE PUBLIC";
- (3) [sic] Expanding the scope of the study to include:
  - (A) Determining the need of building safety plans;
  - (B) An assessment of the proper placement of State offices to minimize movement of the public throughout the building; and
  - (C) Determining the need for building safety committees;

and

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

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 50, H.D. 1.

Signed by all members of the Committee except Representative Souki.

**SCRep. 947 Public Safety & Military Affairs on H.C.R. No. 63**

The purpose of this concurrent resolution is to request the Narcotics Enforcement Division of the Department of Public Safety, with the cooperation of the Department of Health, to conduct a study examining methods to reduce prescription fraud, mitigate prescription errors, and control costs for drug prescription within the state.

Testimony in support of this measure was received from the Hawaii Medical Association and ScriptIQ, Inc. The Department of Public Safety (PSD) supported the intent of this measure.

Your Committee finds that PSD is not the appropriate agency to study prescription error mitigation or controlling costs for prescription drugs.

Upon further review, your Committee has amended this concurrent resolution by:

- (1) Requesting that the Board of Pharmacy and the Legislative Reference Bureau (LRB) participate in the study;
- (2) Changing the title to reflect the inclusion of the Board of Pharmacy and LRB to the study as follows: REQUESTING THE NARCOTICS ENFORCEMENT DIVISION OF THE DEPARTMENT OF PUBLIC SAFETY, WITH THE COOPERATION OF THE DEPARTMENT OF HEALTH, THE BOARD OF PHARMACY, AND THE LEGISLATIVE REFERENCE BUREAU, TO CONDUCT A STUDY EXAMINING METHODS TO REDUCE PRESCRIPTION FRAUD, MITIGATE PRESCRIPTION ERRORS, AND CONTROL COSTS FOR DRUG PRESCRIPTION WITHIN THE STATE,"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 63, H.D. 1.

Signed by all members of the Committee except Representative Souki.

**SCRep. 948 Judiciary & Hawaiian Affairs and Consumer Protection & Commerce on S.B. No. 2692**

The purpose of this bill is to require that the Child Support Enforcement Agency use the National Medical Support Notice form (Form), rather than a copy of the support order, when enforcing an order for a parent to provide medical insurance coverage for a child.

Your Committees received testimony in support of the bill from the Department of the Attorney General (AG), that explained that the use of the Form is a federally mandated requirement under Title IV-D of the Social Security Act, and compliance with this requirement is necessary to continue eligibility for federal welfare and child support enforcement program funding.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2692 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Auwae, Gomes, and Meyer.

**SCRep. 949 Judiciary & Hawaiian Affairs on S.B. No. 99**

The purpose of this bill is to repeal a law that prohibits liquor commission employees from supporting, advocating, or aiding in the election or defeat of any candidate for public office.

The Department of Liquor Control, County of Hawaii, supported this measure and suggested amendments. The Hawaii Government Employees Association testified in support of the intent of this measure.

Your Committee believes that removing prohibitions against liquor commission employee participation in election activities allows them to exercise the same constitutional right to fully participate in the political process, free of the threat of summary discharge from employment, that is accorded other citizens in this State.

However, concerns were raised that a liquor commission employee running for public office may use the employee's position to exact campaign contributions and expenditures from licensees.



Accordingly, your Committee has amended this bill by:

- (1) Requiring an employee to notify the county Liquor Commission (Commission) of the employee's intent to support, advocate, or aid in the election or defeat of a candidate for political office;
- (2) Requiring an employee who is a candidate for public office to take a leave of absence for a period beginning prior to the initiation of political activities related to election to that office and ending the day following the relevant general election;
- (3) Prohibiting Commission employees from receiving contributions, or receiving or transferring money or anything of value from any licensee for the purpose of supporting, advocating, or aiding in the election or defeat of a candidate for public office;
- (4) Authorizing the Commission to summarily dismiss an employee who violates the campaign contribution prohibition;
- (5) Providing that a person who violates the campaign contribution prohibition be subject to an administrative fine of the greater of \$1,000 or three times the amount of the contribution, pursuant to Section 11-228, Hawaii Revised Statutes; and
- (6) Making various technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee notes that while the leave of absence ends the day after the general election, there is no guarantee that, if the employee wins the election, the employee could return to work, holding both positions simultaneously. This would depend on the doctrine of compatibility and have to be decided on a case-by-case basis.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 99, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 99, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

#### **SCRep. 950 Judiciary & Hawaiian Affairs on S.B. No. 2046**

The purpose of the bill is to create a range of criminal offenses for causing injury or death to, interfering with the use of, or misrepresenting oneself as the owner or trainer of a guide dog, signal dog, service animal, or law enforcement dog.

Your Committee received testimony in support of the measure from the Honolulu Police Department, the Coalition for the Protection of Service Dogs in Hawaii, and the Guide Dog Association of Victoria. The Disability and Communication Access Board supported the intent of the measure and suggested amendments. The Hawaii Civil Rights Commission supported the intent of the measure and expressed concerns. One concerned individual supported the bill but offered amendments, another supported the intent of the bill. Testimony in opposition to the measure was provided by the Office of the Public Defender and the Hawaiian Humane Society.

Your Committee finds that guide dogs, signal dogs, and service animals can compensate for a wide variety of disabilities. People who depend on the abilities of these animals must be secure in knowing that these animals are as safe and protected as possible. However, creating a felony offense is inappropriate for the protection of these animals. In addition, your Committee finds that the inclusion of law enforcement dogs under this measure is beyond the scope of the title of the bill.

Your Committee has amended this bill by:

- (1) Deleting references to law enforcement dogs;
- (2) Deleting provisions for the felony offense of causing injury to guide dogs, signal dogs, and service dogs;
- (3) Deleting provisions for the offenses of fraudulent misrepresentation as owner or trainer of, and for the offense of interference with the use of, a guide dog.
- (4) Setting the penalty for causing injury or death to guide dogs, signal dogs, or and service animals as follows:
  - (a) For the first offense, a maximum of thirty days in jail, a maximum fine of \$2,000, or both; and
  - (b) For the second and subsequent offense, a maximum of thirty days in jail, a maximum fine of \$5,000, or both;
- (5) Clarifying that restitution is to be made to:
  - (A) The owner of the dog for veterinary bills and out-of-pocket costs; and
  - (B) The person or organization that incurs the cost of replacing the animal for the cost of replacing the animal.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2046, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2046, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes and Whalen.

#### **SCRep. 951 Consumer Protection & Commerce on S.B. No. 2727**

The purpose of this bill is to clarify that chapter 436B, Hawaii Revised Statutes, the Uniform Professional and Vocational Licensing Act (Act), shall apply whenever both the statutory laws and the administrative rules of the respective profession or vocation are silent.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that the Act provides uniformity among licensing statutes in areas that are fundamental and common to the licensing process and applies only when a specific profession's or vocation's licensing law is silent.

However, the Act fails to mention administrative rules, which may also establish professional and vocational regulatory requirements. This omission has led to confusion as to whether administrative rules pertaining to a specific profession or vocation prevail over the Act.

This measure clarifies the law by specifying that the administrative rules of a profession or vocation also prevail over the general provisions of the Act.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2727, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Yoshinaga, Gomes and Meyer.

#### **SCRep. 952 Consumer Protection & Commerce on S.B. No. 2728**

The purpose of this bill is to clarify the escrow depositories law by removing a redundant provision in the procedures pertaining to voluntary termination of escrow depository operations.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that when the procedures for voluntary termination of escrow depository operations were enacted in Act 184, Session Laws of Hawaii 2001, provisions pertaining to a contact person to answer questions and provide documents concerning closed accounts was inserted twice in the law. This bill corrects the redundancy by combining the two provisions into one.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2728, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

#### **SCRep. 953 Consumer Protection & Commerce on S.B. No. 2734**

The purpose of this measure is to reduce regulatory burdens on commercial employment agencies (employment agencies) without compromising consumer protection, and increase consistency between employment agency law and other regulatory schemes by:

- (1) Replacing the branch office licensing requirement with language clarifying a principal agent's supervisory responsibilities;
- (2) Restricting the requirement that employment agencies be bonded, to those whose fees are paid by employees, and exempting employment agencies whose fees are paid by employers;
- (3) Requiring initial and amended filings of placement fee schedules rather than annual filings;
- (4) Repealing the requirement that a new license be issued each time an employment agency changes its address;
- (5) Authorizing a more flexible 60-day window during which an employment agency may lawfully conduct business while changing its principal agent;
- (6) Codifying the administrative rule prohibiting employment agencies from conducting business out of homes, apartments, and hotel rooms;
- (7) Prohibiting an employment agency from sending resumes to prospective employers without a bona fide job order from the employer;
- (8) Specifying that the Director of Commerce and Consumer Affairs may fine an employment agency in an amount not to exceed \$1,000 per violation of agency laws or rules; and
- (9) Providing that employment agency license applicants possess a reputation for honesty, truthfulness, financial integrity and fair dealing, and not have felony convictions related to the operation of a commercial employment agency.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee finds that that this measure will reduce regulatory burdens on businesses, the general public, and state government, while retaining strong consumer protections.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2734, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

**SCRep. 954 Consumer Protection & Commerce on S.B. No. 2289**

The purpose of this bill is to update and increase the flexibility of the condominium property regimes law by allowing the Board of Directors (Board) of an association of apartment owners (AOAO) to install or authorize the installation of television signal distribution and telecommunications equipment on project common areas.

Testimony in support of this bill was submitted by Verizon Hawaii. Voicestream Wireless provided testimony in support of the bill and suggested amendments.

Your Committee finds that most condominiums were built at a time when current technology such as cable television, personal computers, and the Internet, were considered cutting-edge. As a result, the bylaws and declarations of all but the most recent condominium property regimes contain restrictions that make it unnecessarily difficult for AOAOs to upgrade their telecommunications infrastructure.

In addition, under current law, any change to the common areas of a condominium sought by the Board requires that seventy-five percent of the unit owners vote in the affirmative. This threshold makes it difficult for AOAOs to secure the requisite number of votes to move forward with their desired projects.

Your Committee finds that enabling the Board to bypass the usual seventy-five percent approval requirement, solely for telecommunications projects, may help to preserve and enhance the value of the project. Among other things, allowing the Board to enter into lease agreements with telecommunications providers may generate revenue leading to lower maintenance fees.

Your Committee has made a technical amendment to this measure to avoid future litigation and preserve existing contractual and other rights and obligations, by replacing the statutory language stating that all Board actions remain subject to legal requirements and contractual obligations, with a non-statutory savings clause. Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2289, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2289, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes, and Meyer.

**SCRep. 955 Consumer Protection & Commerce on S.B. No. 2290**

The purpose of this bill is to exempt persons who hold certain American Health Information Management Association (AHIMA) credentials, from independent bill reviewer domicile, examination, experience, and training license requirements.

AHIMA and the Health Information Management Association testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) commented on the bill, stating that it was unable to support the measure without additional information from AHIMA about its credentials.

Your Committee finds that applicants for an independent bill reviewer license must meet domicile, experience, and training requirements, and take an examination administered by DCCA. However, applicants who hold the credential of a certified professional coder granted by the American Academy of Professional Coders (AAPC) are exempt from these requirements.

Your Committee further finds that to obtain an AHIMA credential as a registered health information administrator, registered health information technician, certified coding specialist, or certified coding specialist-physician based, applicants must pass an examination that, among other things, tests bill reviewing competency. AHIMA testified that its examinations are more difficult than AAPC's, but due to an inadvertent oversight, persons with an AHIMA credential have not been granted a similar exemption from the examination.

Upon further consideration, and pending complete review of the matter by DCCA, your Committee has amended this measure to accurately reflect AHIMA credential titles by:

- (1) Replacing references to "clinical coding specialist" with "certified coding specialist"; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2290, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2290, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

**SCRep. 956 Judiciary & Hawaiian Affairs on S.B. No. 331**

The purpose of this bill is to streamline the procedures for eviction of public housing tenants who are in violation of their rental agreements.

Your Committee received testimony in support of the bill from the Housing and Community Development Corporation of Hawaii (Corporation). The Corporation's testimony explained that the Corporation had been working with the Legal Aid Society of Hawaii, the Women's Legislative Coalition, and resident groups to resolve concerns relating to eviction of public housing tenants. As a result of discussions with these groups, the Corporation recommended that the bill be amended to include provisions ensuring that tenants understand the procedures and their rights before the eviction process begins.

Your Committee has amended this bill to:

- (1) Detail the procedures to be used to work with a tenant prior to eviction in an effort to avoid eviction and to ensure the tenants' full understanding of and participation in the process;
- (2) Include a grievance procedure that the Corporation must follow before initiating the eviction process for a public housing tenant who is delinquent in payment of rent. The grievance procedure includes:
  - (A) A meeting between the Corporation's agent and the tenant concerning the delinquency;
  - (B) A written decision after the meeting setting forth the actions that the Corporation will take; and
  - (C) The tenant's right to request a grievance hearing before the eviction process is begun;
- (3) Specify that the hearing required to be held once the Corporation proposes to evict a tenant or other occupant is a contested case hearing;
- (4) Authorize the Corporation to consider a tenant's history in determining noncurable grounds for eviction; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 331, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 331, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes and Whalen.

**SCRep. 957 Judiciary & Hawaiian Affairs on S.B. No. 859**

The purpose of the bill is to establish an earned-time program to give inmates incentives for rehabilitation.

Your Committee received testimony in support of the measure from the Office of the Public Defender, the Community Alliance on Prisons, Government Efficiency Teams, Inc., Urbatek Cities and concerned individuals. The Department of Public Safety supported the intent of the measure. Testimony in opposition to the measure was received from the Department of the Attorney General, the Hawaii Paroling Authority, and the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that an earned-time program would promote public safety by motivating offenders to actively participate in their rehabilitation.

Your Committee has amended the bill by:

- (1) Clarifying that the committed person must demonstrate progress towards rehabilitation in order to earn time off;
- (2) Making a person serving a sentence for a Class A felony ineligible for the earned-time program; and
- (3) Inserting an effective date of February 30, 3050, to ensure further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 859, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 859, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes and Whalen.

**SCRep. 958 Judiciary & Hawaiian Affairs on S.B. No. 748**

The purpose of the bill is to provide automatic approval and certification of motorcycle operator education programs operated by the military that:

- (1) Meet Motorcycle Safety Foundation standards; and
- (2) Are certified by the armed forces installation commander.

Your Committee received testimony in support of the measure from a concerned individual. Testimony in opposition to the measure was provided by the Department of Transportation (DOT).

Your Committee finds that the Governor vetoed a similar bill, explaining that DOT was drafting administrative rules to address the issues raised by this measure. However, DOT still cannot point to exact provisions in the rules that resolve the concerns addressed by this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 748 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives B. Oshiro, Case, Gomes and Whalen.

#### **SCRep. 959 Economic Development & Business Concerns and Water & Land Use on H.R. No. 108**

The purpose of this resolution is to support the development of a biotechnology industry in Hawaii by requesting the Governor to appoint a biotechnology council. The biotechnology council will assess the status of the biotechnology industry and develop strategies and coordinate initiatives to facilitate the growth and development of biotechnology industries in Hawaii.

The High Technology Development Corporation and Hawaiian Alliance for Responsible Technology and Science supported this measure. The University of Hawaii College of Tropical Agriculture and Human Resources supported the intent of this measure.

Your Committees note that the biotechnology industry helps to diversify Hawaii's tourism-centered economy and provides a source of high-paying jobs for Hawaii's people. Although there are many firms that are already engaged in various sectors of the biotechnology industry, the establishment of a biotechnology council will help provide the coordination and synergy needed to move the entire industry forward in an economically meaningful way. Your Committees support future legislative efforts to provide funding to carry out the requirements of this measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 108 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Ontai, Ito, and Meyer.

#### **SCRep. 960 Economic Development & Business Concerns and Water & Land Use on H.C.R. No. 150**

The purpose of this concurrent resolution is to support the development of a biotechnology industry in Hawaii by requesting the Governor to appoint a biotechnology council. The biotechnology council will assess the status of the biotechnology industry and develop strategies and coordinate initiatives to facilitate the growth and development of biotechnology industries in Hawaii.

The High Technology Development Corporation and Hawaiian Alliance for Responsible Technology and Science supported this measure. The University of Hawaii College of Tropical Agriculture and Human Resources supported the intent of this measure.

Your Committees note that the biotechnology industry helps to diversify Hawaii's tourism-centered economy and provides a source of high-paying jobs for Hawaii's people. Although there are many firms that are already engaged in various sectors of the biotechnology industry, the establishment of a biotechnology council will help provide the coordination and synergy needed to move the entire industry forward in an economically meaningful way. Your Committees support future legislative efforts to provide funding to carry out the requirements of this measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 150 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Ontai, Ito, and Meyer.

#### **SCRep. 961 Labor & Public Employment on H.C.R. No. 130**

The purpose of this concurrent resolution is to request the Auditor to conduct a management and performance audit of the Employees' Retirement System (ERS).

A concerned citizen testified in support of this measure. The Board of Trustees for the ERS commented on this measure.

Recent events regarding the ERS, especially the loss of \$1.4 billion in poor investments, and questions regarding the retention of an underperforming investment firm with ties to a former ERS administrator, have brought to light some problems within the ERS that your Committee believes need to be addressed through an audit.

Although some of these concerns were quelled by the testimony of the ERS, your Committee feels that an audit may help to improve the overall structural set-up, management, and efficiency of the ERS. The audit should also include an assessment concerning the impact of statutorily-imposed quorum and voting requirements upon the ERS Board of Trustees. It is not clear whether such requirements assist or hinder the trustees.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga, and Rath.

**SCRep. 962 Energy & Environment Protection on H.R. No. 116**

The purpose of this resolution is to request businesses providing cable and satellite services and products to consumers to investigate energy efficiency to help reduce financial and environmental costs.

Specifically, this measure requests businesses which provide cable and satellite services and products to:

- (1) Investigate available and forthcoming devices that meet the voluntary standard established by the Environmental Protection Agency and referred to as the "Energy Star" standard;
- (2) Investigate more efficient devices, even if relevant "Energy Star" standards do not exist; and
- (3) Educate consumers about how to lower their electricity costs.

Verizon Hawaii testified in support of the intent of the resolution.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 116 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 963 Energy & Environment Protection on H.C.R. No. 159**

The purpose of this concurrent resolution is to request businesses providing cable and satellite services and products to consumers to investigate energy efficiency to help reduce financial and environmental costs.

Specifically, this measure requests businesses which provide cable and satellite services and products to:

- (1) Investigate available and forthcoming devices that meet the voluntary standard established by the Environmental Protection Agency and referred to as the "Energy Star" standard;
- (2) Investigate more efficient devices, even if relevant "Energy Star" standards do not exist; and
- (3) Educate consumers about how to lower their electricity costs.

Verizon Hawaii testified in support of the intent of the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 159 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 964 Energy & Environment Protection on H.R. No. 126**

The purpose of this resolution is to promote renewable energy and energy efficiency in state facilities by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a feasibility study on issuing revenue bonds or other forms of revenue financing to finance the acquisition, construction, rehabilitation, installation, or improvement of renewable, distributive energy facilities and energy efficiency measures in state facilities.

The Hawaii Renewable Energy Alliance, Life of the Land, and a concerned individual supported this resolution. DBEDT supported the intent of this measure.

Your Committee notes that DBEDT is in the midst of a two-year study entitled "Renewable Energy Research, Development, Commercialization, and Export Promotion Plan for Hawaii (Plan)". The Plan's scope encompasses significant portions of the subject matter of the feasibility study requested by this measure.

Your Committee has amended this measure by:

- (1) Requesting DBEDT to include in its Plan, the subject matter of the requested feasibility study;
- (2) Amending the title to read: REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO INCLUDE IN ITS "RENEWABLE ENERGY RESEARCH, DEVELOPMENT, COMMERCIALIZATION, AND EXPORT PROMOTION PLAN FOR HAWAII", A PLAN FOR THE ISSUANCE OF REVENUE BONDS OR OTHER FORMS OF REVENUE FINANCING FOR RENEWABLE ENERGY SYSTEMS IN PUBLIC FACILITIES; and

- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 126, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 965 Energy & Environment Protection on H.C.R. No. 175**

The purpose of this concurrent resolution is to promote renewable energy and energy efficiency in state facilities by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a feasibility study on issuing revenue bonds or other forms of revenue financing to finance the acquisition, construction, rehabilitation, installation, or improvement of renewable, distributive energy facilities and energy efficiency measures in state facilities.

The Hawaii Renewable Energy Alliance, Life of the Land, and a concerned individual supported this resolution. DBEDT supported the intent of this measure.

Your Committee notes that DBEDT is in the midst of a two-year study entitled "Renewable Energy Research, Development, Commercialization, and Export Promotion Plan for Hawaii (Plan)" The Plan's scope encompasses significant portions of the subject matter of the feasibility study requested by this measure.

Your Committee has amended this measure by:

- (1) Requesting DBEDT to include in its Plan, the subject matter of the requested feasibility study;
- (2) Amending the title to read: REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO INCLUDE IN ITS "RENEWABLE ENERGY RESEARCH, DEVELOPMENT, COMMERCIALIZATION, AND EXPORT PROMOTION PLAN FOR HAWAII", A PLAN FOR THE ISSUANCE OF REVENUE BONDS OR OTHER FORMS OF REVENUE FINANCING FOR RENEWABLE ENERGY SYSTEMS IN PUBLIC FACILITIES; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 966 Economic Development & Business Concerns and Tourism & Culture on H.R. No. 117**

The purpose of this resolution is to authorize the establishment of a sister-state relationship between the State of Hawaii and the municipality of Tianjin in the People's Republic of China.

Two concerned citizens testified in support of this measure.  
The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committees believe that the establishment of a sister-state relationship with Tianjin would promote cultural, educational, and economic opportunities for the people of Hawaii. However, your Committees recognize that several concerns were voiced regarding this measure. Specific questions raised included uncertainty regarding approval of the sister-state relationship by the People's Republic of China, the sustainability of a potential sister-state relationship with Tianjin, and a demonstrated mutuality of economic benefits resulting from this sister-state relationship. Your Committees support future public and private efforts in addressing these concerns.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism and Culture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 117 and recommend its adoption.

Signed by all members of the Committee except Representatives Case, Takumi, Marumoto, Ontai and Halford.

**SCRep. 967 Economic Development & Business Concerns and Tourism & Culture on H.C.R. No. 160**

The purpose of this concurrent resolution is to authorize the establishment of a sister-state relationship between the State of Hawaii and the municipality of Tianjin in the People's Republic of China.

Two concerned citizens testified in support of this measure.  
The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committees believe that the establishment of a sister-state relationship with Tianjin would promote cultural, educational, and economic opportunities for the people of Hawaii. However, your Committees recognize that several concerns were voiced regarding this measure. Specific questions raised included uncertainty regarding approval of the sister-state relationship by the People's

Republic of China, the sustainability of a potential sister-state relationship with Tianjin, and a demonstrated mutuality of economic benefits resulting from this sister-state relationship. Your Committees support future public and private efforts in addressing these concerns.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism and Culture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 160 and recommend its adoption.

Signed by all members of the Committee except Representatives Case, Takumi, Marumoto, Ontai and Halford.

#### **SCRep. 968 Energy & Environment Protection on H.R. No. 131**

The purpose of this resolution is to oppose the designation of Yucca Mountain, Nevada, as the nation's nuclear waste disposal depository by urging the United States Secretary of Energy to reconsider the recommendation of this site.

The Hawaii Renewable Energy Alliance, Life of the Land, and several concerned individuals testified in support of this measure.

Your Committee finds that there are many serious concerns with the transport and storage of nuclear waste. The health, welfare, and safety of future generations should be considered and respected by discouraging the use of nuclear power.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 131 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito and Meyer.

#### **SCRep. 969 Consumer Protection & Commerce on S.B. No. 2725**

The purpose of this bill is update the naturopathy licensing law by:

- (1) Allowing applications for the licensing examination to be sent directly to the testing agency consistent with current agency procedures; and
- (2) Removing an outdated accreditation requirement that would prevent all applicants from meeting educational requirements for licensure as a naturopath.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee finds that those applying for the naturopathy licensing examination no longer need to submit an application to the Board of Examiners in Naturopathy. The testing agency that administers the examination is now able to directly accept applications.

Further, your Committee finds that the law requires all naturopathy license applicants to have graduated from an institution accredited by a "national professional accrediting body" recognized by the United States Department of Education (USDOE). However, the only professional body recognized by USDOE lost this recognition. Your Committee finds that removal of the term "professional" will allow licensing of persons who have received their education and training in institutions accredited by a national accrediting body.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2725 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

#### **SCRep. 970 Consumer Protection & Commerce on S.B. No. 2341**

The purpose of this measure is to allow condominiums located in designated flood zones to purchase flood insurance required under the condominium property regimes law, from private insurance companies, so long as it meets the requirements of the National Flood Insurance Program (NFIP) and the Federal Insurance Administration (FIA).

The Department of Land and Natural Resources and a concerned individual testified in support of the measure.

Your Committee finds that current state law requires condominium associations to purchase their flood insurance from NFIP, although NFIP allows this insurance to be provided by private insurers. If a private insurer is unable to cover all flood claims under its policies, FIA will provide coverage so long as the private insurer has complied with NFIP guidelines.

Your Committee finds that affording condominium associations greater flexibility in purchasing NFIP-compliant flood insurance will reduce association costs and support the State's insurance industry without compromising the level of flood coverage maintained by condominium associations in Hawaii.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2341, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.



Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

**SCRep. 971 Water & Land Use on H.C.R. No. 178**

The purpose of this measure as enumerated in its title is triggered by complaints applicable to all aspects of programs and operations.

The DLNR Historic Preservation Division submitted a lengthy eight page testimony in opposition citing inadequate resources for its responsibilities, previously unfilled positions, overstated concerns in the resolutions, improving performance results including computerizing of information and programs accessible to the public through an established website.

Supporting testimony was received by the Society for Hawaiian Archaeology, HGEA-AFCME and ten individuals.

The Planning Departments of the city and county of Honolulu and the county of Kauai offered comments acknowledging the good work and contributions of the Historic Preservation Division.

Your committee has amended this resolution by acknowledging that administrative rules are near adoption and fees are reportedly on the verge of being collected; also that the auditor is to determine the adequacy of resources, including personnel staffing to fulfill its mandated responsibilities.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 178, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.

**SCRep. 972 Health on H.R. No. 45**

The purpose of this resolution is to request the Legislative Auditor (Auditor) to perform a sunrise review of the regulation of hypnotherapists. Specific areas to be reviewed include:

- (1) Costs and benefits of hypnotherapists' services to the consumer; and
- (2) A summary of existing laws of other states.

The Department of Commerce and Consumer Affairs and Hawaii Psychiatric Medical Association supported this measure.

Your Committee notes that H.B. No. 2634 was introduced during this Session to regulate hypnotherapists. Your Committee further notes that section 26H-6, Hawaii Revised Statutes, requires the Legislature to refer to the Auditor a request for analysis of any new regulatory measure being considered for enactment that, if passed, would subject unregulated professions and vocations to licensing or other regulatory controls.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 45 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 973 Health on H.C.R. No. 76**

The purpose of this concurrent resolution is to request the Legislative Auditor (Auditor) to perform a sunrise review of the regulation of hypnotherapists. Specific areas to be reviewed include:

- (1) Costs and benefits of hypnotherapists' services to the consumer; and
- (2) A summary of existing laws of other states.

The Department of Commerce and Consumer Affairs and Hawaii Psychiatric Medical Association supported this measure.

Your Committee notes that H.B. No. 2634 was introduced during this Session to regulate hypnotherapists. Your Committee further notes that section 26H-6, Hawaii Revised Statutes, requires the Legislature to refer to the Auditor a request for analysis of any new regulatory measure being considered for enactment that, if passed, would subject unregulated professions and vocations to licensing or other regulatory controls.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 974 Health on H.R. No. 140**

The purpose of this resolution is to request the State Health Planning and Development Agency (SHPDA), with the cooperation of the Department of Health Emergency Medical Services System Branch, Healthcare Association of Hawaii, and Maui Memorial Medical Center, to review the health care needs of West Maui.

SHPDA submitted testimony in support of the measure.

Your Committee finds that West Maui can sometimes be isolated from the rest of the island, particularly when there is an accident or other situation causing the closure of the main roads into the area. This poses a potentially dangerous situation if emergency services are not able to travel between West Maui and the rest of the island.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 140 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

#### **SCRep. 975 Health on H.C.R. No. 197**

The purpose of this concurrent resolution is to request the State Health Planning and Development Agency (SHPDA), with the cooperation of the Department of Health Emergency Medical Services System Branch, Healthcare Association of Hawaii, and Maui Memorial Medical Center, to review the health care needs of West Maui.

SHPDA submitted testimony in support of the measure.

Your Committee finds that West Maui can sometimes be isolated from the rest of the island, particularly when there is an accident or other situation causing the closure of the main roads into the area. This poses a potentially dangerous situation if emergency services are not able to travel between West Maui and the rest of the island.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 197 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

#### **SCRep. 976 Health on H.R. No. 28**

The purpose of this resolution, as received, is to request the Auditor to perform a management and financial audit of the Department of Health, Emergency Medical Services Systems Branch (EMSSB).

Your Committee circulated a proposed H.D. 1 at the public hearing. As proposed, the H.D. 1:

- (1) Amends the title of the resolution to read: "REQUESTING HUMANITARIAN AID ADDRESSING THE HEALTH, WELFARE, AND EDUCATION OF AFGHAN CHILDREN"; and
- (2) Requests the President of the United States, United States Congress, Secretary General of the United Nations, national and international organizations, and agencies that provide humanitarian aid to foreign countries to focus their efforts to provide relief and assistance for the benefit of children in Afghanistan targeting the health, education, and welfare of the children.

Hawaii Intergenerational Network submitted testimony in support of the proposed H.D. 1.

Your Committee finds that a resolution requesting an audit of EMSSB is no longer necessary and that the resolution should be used as a vehicle to assist the innocent children in Afghanistan who have been the unintended victims of conflict and warfare. Accordingly, your Committee has amended this measure by replacing its contents and inserting the provisions of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 28, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

#### **SCRep. 977 Health on H.C.R. No. 49**

The purpose of this concurrent resolution, as received, is to request the Auditor to perform a management and financial audit of the Department of Health, Emergency Medical Services Systems Branch (EMSSB).

Your Committee circulated a proposed H.D. 1 at the public hearing. As proposed, the H.D. 1:

- (1) Amends the title of this concurrent resolution to read: "REQUESTING HUMANITARIAN AID ADDRESSING THE HEALTH, WELFARE, AND EDUCATION OF AFGHAN CHILDREN"; and
- (2) Requests the President of the United States, United States Congress, Secretary General of the United Nations, national and international organizations, and agencies that provide humanitarian aid to foreign countries to focus their efforts to provide relief and assistance for the benefit of children in Afghanistan targeting the health, education, and welfare of the children.

Hawaii Intergenerational Network submitted testimony in support of the proposed H.D. 1.

Your Committee finds that a concurrent resolution requesting an audit of EMSSB is no longer necessary and that the concurrent resolution should be used as a vehicle to assist the innocent children in Afghanistan who have been the unintended victims of conflict and warfare. Accordingly, your Committee has amended this measure by replacing its contents and inserting the provisions of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 49, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

#### **SCRep. 978 Health on H.C.R. No. 114**

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for biologically based psychiatric and addiction disorders.

Your Committee circulated a proposed H.D. 1 during the public hearing. The proposed H.D. 1:

- (1) Amends the title to read: "REQUESTING THE UNITED STATES CONGRESS AND THE DEPARTMENT OF THE INTERIOR, OFFICE OF INSULAR AFFAIRS, TO PROVIDE ADEQUATE FINANCIAL ASSISTANCE FOR LAWFUL NON-IMMIGRANTS FROM THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND PALAU";
- (2) Requests Congress and the Insular Affairs Office to increase Compact of Free Association funding; and
- (3) Requests Congress to amend Public Law 104-193 to include that residents of the Freely Associated States residing within the United States be "qualified aliens" to allow otherwise qualified individuals to receive federally funded public benefits.

The Department of Human Services and Na Loio testified in support of this measure.

Your Committee finds that residents of the Freely Associated States living within the United States have "fallen through the cracks" due to federal welfare reform. Otherwise qualified individuals do not qualify for federal assistance because they are not residents of the United States, but neither are they immigrants because of the 1986 Compact of Free Association that allows these individuals to reside in the United States. Additionally, these individuals may qualify for certain state-funded assistance, but the State is not reimbursed by the federal government.

Your Committee has amended this concurrent resolution by replacing its contents with those of the proposed H.D. 1. This measure has been further amended by:

- (1) Expanding the request for assistance to include housing; and
- (2) Requesting Congress to explore the possibility of amending Public Law 106-604 to provide further assistance.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 114, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

#### **SCRep. 979 Health and Education on H.C.R. No. 187**

The purpose of this concurrent resolution is to request the Auditor to evaluate the operational efficiency and programmatic effectiveness of the State's integrated special education database system (ISPED).

The Department of Education (DOE) submitted testimony in support of the intent of this measure, but opposing it as currently drafted.

Your Committees find that ISPED is far behind schedule and has contributed to the already enormous costs of complying with the *Felix* Consent Decree. It is unclear whether ISPED will achieve the intended goal of reducing and simplifying paperwork used for planning and determining appropriate services.

Your Committees have amended this concurrent resolution by:

- (1) Requesting the Auditor to also assess confidentiality issues relating to ISPED; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 187, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 187, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, Yonamine, McDermott, Schatz, Takumi, and Bukoski.

**SCRep. 980 Health and Education on H.C.R. No. 91**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to:

- (1) Gather information on the number of Hawaii school children being diagnosed with attention deficit/hyperactivity disorder (ADHD) and the percentage of those children that are on treatment medication, such as Ritalin;
- (2) Obtain information from other states to determine what action, if any, has been taken;
- (3) Enlist the services of the Department of Health (DOH) and Department of Education (DOE) in compiling data; and
- (4) Review legislative options and drafting appropriate legislation if the rate of diagnosis and prescription of medication for Hawaii school children is above the national norm.

The Christian Science Committee on Publication for Hawaii and a concerned citizen testified in support of this measure. DOH commented. DOE opposed this measure.

DOH stated that although they support the intent of this measure, a similar report has already been submitted to the Legislature in response to S.C.R. 92, S.D. 1, Regular Session of 2001. DOE responded similarly stating that current data is already available.

Your Committees find that there is growing concern that too many children are being diagnosed with ADHD, and ADHD treatment drugs, such as Ritalin are being overly prescribed. Although data for Hawaii children pertaining to ADHD may be available, your Committees believe that a proactive approach needs to be taken by providing options and alternatives to ADHD diagnosis and treatment.

Accordingly, your Committees have amended this concurrent resolution by:

- (1) Removing the provision that LRB review legislative options only if the rate of diagnosis and prescription of medication exceeds the national norm;
- (2) Requesting LRB to provide options and alternatives to ADHD diagnosis and treatment;
- (3) Requesting LRB to recommend appropriate legislation, if necessary; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 91, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 91, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, Yonamine, McDermott, Schatz, Takumi, and Bukoski.

**SCRep. 981 Energy & Environment Protection on H.R. No. 60**

The purpose of this resolution is to address the quality of electric power in Hawaii by requesting the Public Utilities Commission (PUC) to establish a Power Quality Task Force (Task Force) to examine electric power quality issues.

Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Hawaii Renewable Energy Alliance, Life of the Land, and a concerned individual supported this measure. Kauai Electric supported the intent of this measure. PUC and the Consumer Advocate commented.

Your Committee notes that standards and requirements regarding power quality as it relates to service reliability are currently within PUC rules, i.e., General Order No. 7, Standards for Electric Utility Services in the State of Hawaii. General Order No. 7 is currently in the process of being converted to administrative rules.

Your Committee believes that the role of the PUC should be incorporated with the provision of quality, safety, and reliability of electric utility services. This should address concerns relating to the composition of the Task Force. Accordingly, your Committee has amended this measure by:

- (1) Providing that the PUC either initiate a docket (Docket) or convene a task force on power quality (TFPQ) to develop and implement a plan to improve power quality to meet the needs of modern commerce;
- (2) Requesting PUC to invite or consult with representatives from:
  - (A) The Department of Business, Economic Development, and Tourism;
  - (B) Consumer Advocate;
  - (C) County energy offices;

- (D) Hawaii Chamber of Commerce;
  - (E) Independent power producers;
  - (F) Hawaiian Electric Company;
  - (G) Kauai Electric;
  - (H) Citizen-consumer advocate organizations; and
  - (I) Renewable energy advocate groups;
- (3) Including in the scope of the Docket or TFPQ:
- (A) An examination of the present status of power quality in Hawaii;
  - (B) The root causes of poor power quality;
  - (C) Whether General Order No. 7 and proposed Chapter 6-70 meet current national standards for electric utility service;
  - (D) Current grievances by customers relating to poor power quality and its reporting, response, and resolution procedures, and, if necessary, plans to improve poor power quality;
  - (E) Measurements to determine the power quality characteristics of all utility and non-utility generators with access to the distribution and transmission system;
  - (F) Whether equipment should be added to the electric grid to strengthen power quality;
  - (G) Whether interconnection nodes should have monitoring devices to obtain power quality measurements; and
  - (H) Whether legislation is required to address power quality issues;
- (4) Requesting PUC to report its findings and recommendations to the Legislature 20 days prior to the convening of the Regular Session of 2003;
- (5) Changing the title to read: "REQUESTING THE PUBLIC UTILITIES COMMISSION TO INITIATE A DOCKET OR CONVENE A TASK FORCE ON POWER QUALITY TO MEET THE NEEDS OF MODERN COMMERCE"; and
- (6) Making technical, nonsubstantive amendments for purpose of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.R. No. 60, H.D. 1.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 982 Energy & Environment Protection on H.C.R. No. 93**

The purpose of this concurrent resolution is to address the quality of electric power in Hawaii by requesting the Public Utilities Commission (PUC) to establish a Power Quality Task Force (Task Force) to examine electric power quality issues.

Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Hawaii Renewable Energy Alliance, Life of the Land, and a concerned individual supported this measure. Kauai Electric supported the intent of this measure. PUC and the Consumer Advocate commented.

Your Committee notes that standards and requirements regarding power quality as it relates to service reliability are currently within PUC rules, i.e., General Order No. 7, Standards for Electric Utility Services in the State of Hawaii. General Order No. 7 is currently in the process of being converted to administrative rules.

Your Committee believes that the role of the PUC should be incorporated with the provision of quality, safety, and reliability of electric utility services. This should address concerns relating to the composition of the Task Force. Accordingly, your Committee has amended this measure by:

- (1) Providing that the PUC either initiate a docket (Docket) or convene a task force on power quality (TFPQ) to develop and implement a plan to improve power quality to meet the needs of modern commerce;
- (2) Requesting PUC to invite or consult with representatives from:
  - (A) The Department of Business, Economic Development, and Tourism;
  - (B) Consumer Advocate;
  - (C) County energy offices;

- (D) Hawaii Chamber of Commerce;
  - (E) Independent power producers;
  - (F) Hawaiian Electric Company;
  - (G) Kauai Electric;
  - (H) Citizen-consumer advocate organizations; and
  - (I) Renewable energy advocate groups;
- (3) Including in the scope of the Docket or TFPQ:
- (A) An examination of the present status of power quality in Hawaii;
  - (B) The root causes of poor power quality;
  - (C) Whether General Order No. 7 and proposed Chapter 6-70 meet current national standards for electric utility service;
  - (D) Current grievances by customers relating to poor power quality and its reporting, response, and resolution procedures, and, if necessary, plans to improve poor power quality;
  - (E) Measurements to determine the power quality characteristics of all utility and non-utility generators with access to the distribution and transmission system;
  - (F) Whether equipment should be added to the electric grid to strengthen power quality;
  - (G) Whether interconnection nodes should have monitoring devices to obtain power quality measurements; and
  - (H) Whether legislation is required to address power quality issues;
- (4) Requesting PUC to report its findings and recommendations to the Legislature 20 days prior to the convening of the Regular Session of 2003;
- (5) Changing the title to read: "REQUESTING THE PUBLIC UTILITIES COMMISSION TO INITIATE A DOCKET OR CONVENE A TASK FORCE ON POWER QUALITY TO MEET THE NEEDS OF MODERN COMMERCE"; and
- (6) Making technical, nonsubstantive amendments for purpose of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 93, H.D. 1.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 983 Energy & Environment Protection on H.R. No. 128**

The purpose of this resolution is to encourage the development of renewable energy or net-metered systems by requesting the Public Utilities Commission (PUC) to:

- (1) Prohibit the public electric utility practice (Prohibited Practice) of standby charges and customer retention discounts with respect to net-metered and renewable energy systems;
- (2) With respect to fossil-fueled on-site generation facilities and standby charges, consider establishing ratemaking design and ratemaking policies (Policies) based on certain specified criteria;
- (3) Consider certain specified elements (Elements) to ensure compliance with the Policies when considering standby charges in any proceeding; and
- (4) Report to the Legislature if the PUC does not consider the Elements, as to its actions and how its decision is in the public interest.

Hawaiian Electric Company, Inc. (HELCO), Hawaii Electric Light Company, Maui Electric Company, Hess Microgen LLC, Hawaii Renewable Energy Alliance, Life of the Land, and a concerned individual supported this measure. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The PUC, Kauai Electric, and the Consumer Advocate commented on this measure.

Your Committee regards PUC Docket No. 99-0207, *In the Matter of the Application of HELCO*, which deals with the approval of rate increases and revised rate schedules with regard to the issue of HELCO's standby service rider, also known as Rider A (Docket No. 99-0207), as the focal point of its concerns relating to the standby charge and customer retention discount issue. Your Committee also recognizes that PUC approval of standby charges and customer retention discounts is a complex process, but may be an expeditious means of addressing your Committee's concerns.

Your Committee has amended this measure by:

- (1) Requesting the PUC to reopen Docket No. 99-0207 and re-examine its decision in light of specified Policies, Elements, and Prohibited Practices;
- (2) Amending the title to read: "REQUESTING THE PUBLIC UTILITIES COMMISSION TO REOPEN DOCKET NO. 99-0207, WHICH DEALS WITH THE APPLICATION OF HAWAII ELECTRIC LIGHT COMPANY, INC., FOR APPROVAL OF RATE INCREASES AND REVISED RATE SCHEDULES WITH REGARD TO ITS STANDBY SERVICE RIDER; CONSIDER SPECIFIC ISSUES IN PROCEEDINGS REGARDING DISTRIBUTED ENERGY RESOURCES; AND CONSIDER SPECIFIC ISSUES IN ALL FUTURE PROCEEDINGS REGARDING DISTRIBUTED ENERGY RESOURCES"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 128, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.R. No. 128, H.D. 1.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 984 Energy & Environment Protection on H.C.R. No. 177**

The purpose of this concurrent resolution is to encourage the development of renewable energy or net-metered systems by requesting the Public Utilities Commission (PUC) to:

- (1) Prohibit the public electric utility practice (Prohibited Practice) of standby charges and customer retention discounts with respect to net-metered and renewable energy systems;
- (2) With respect to fossil-fueled on-site generation facilities and standby charges, consider establishing ratemaking design and ratemaking policies (Policies) based on certain specified criteria;
- (3) Consider certain specified elements (Elements) to ensure compliance with the Policies when considering standby charges in any proceeding; and
- (4) Report to the Legislature if the PUC does not consider the Elements, as to its actions and how its decision is in the public interest.

Hawaiian Electric Company, Inc. (HELCO), Hawaii Electric Light Company, Maui Electric Company, Hess Microgen LLC, Hawaii Renewable Energy Alliance, Life of the Land, and a concerned individual supported this measure. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The PUC, Kauai Electric, and the Consumer Advocate commented on this measure.

Your Committee regards PUC Docket No. 99-0207, *In the Matter of the Application of HELCO*, which deals with the approval of rate increases and revised rate schedules with regard to the issue of HELCO's standby service rider, also known as Rider A (Docket No. 99-0207), as the focal point of its concerns relating to the standby charge and customer retention discount issue. Your Committee also recognizes that PUC approval of standby charges and customer retention discounts is a complex process, but may be an expeditious means of addressing your Committee's concerns.

Your Committee has amended this measure by:

- (1) Requesting the PUC to reopen Docket No. 99-0207 and re-examine its decision in light of specified Policies, Elements, and Prohibited Practices;
- (2) Amending the title to read: "REQUESTING THE PUBLIC UTILITIES COMMISSION TO REOPEN DOCKET NO. 99-0207, WHICH DEALS WITH THE APPLICATION OF HAWAII ELECTRIC LIGHT COMPANY, INC., FOR APPROVAL OF RATE INCREASES AND REVISED RATE SCHEDULES WITH REGARD TO ITS STANDBY SERVICE RIDER; CONSIDER SPECIFIC ISSUES IN PROCEEDINGS REGARDING DISTRIBUTED ENERGY RESOURCES; AND CONSIDER SPECIFIC ISSUES IN ALL FUTURE PROCEEDINGS REGARDING DISTRIBUTED ENERGY RESOURCES"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 177, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 177, H.D. 1.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 985 Energy & Environment Protection on H.C.R. No. 108**

The purpose of this concurrent resolution is increase the use of non-utility distributed energy resources (DRE) by requesting the Public Utilities Commission (PUC) to discontinue the electric utility practice of standby charges and customer retention discounts.

Hess Microgen LLC, Life of the Land, and two concerned individuals supported this measure. The Consumer Advocate, The Gas Company, Kauai Electric, and Verizon Hawaii commented on this measure. The PUC opposed this measure.

Your Committee finds that the promotion of certain energy goals of the State are hampered by certain actions of the PUC, including permitting electric utilities to negotiate customer retention discounts and to charge standby fees. Permitting standby fees and customer retention discounts may be only one of many counter-productive actions taken by the PUC. These electric utility practices discourage DRE. Thus, your Committee believes that a management audit of the PUC is necessary to determine if it is equipped to handle the challenges of the 21st century.

Your Committee has amended this measure by deleting its substance and inserting provisions:

- (1) Requesting the Auditor to conduct a management audit of the PUC to assess:
  - (A) The adequacy of the present utility regulatory process in dealing with issues, problems, and developments in complex and changing areas, such as telecommunications, energy deregulation, and intergovernmental relations; and
  - (B) The role of the management of the PUC and the Division of the Consumer Advocate in terms of providing technical and analytical staff support in case management and enforcement of the PUC's rules;
- and
- (2) Changing the title of this measure to read: "REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AUDIT OF THE PUBLIC UTILITIES COMMISSION".

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 108, H.D. 1.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 986 Energy & Environment Protection on H.C.R. No. 179**

The purpose of this concurrent resolution is to request the Department of Health (DOH) to develop an action plan to assess and reduce carbon dioxide emissions.

The Department of Land and Natural Resources, DOH, Sierra Club-Hawaii Chapter, Hawaii Renewable Energy Alliance, and a concerned citizen testified in support of this concurrent resolution. Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company testified in opposition to this measure.

"Global warming", is a condition in which the temperature of the Earth begin to rises as a result of pollution. This poses a serious threat to Hawaii's environment and ultimately, its existence. The rise of sea levels, increased temperatures, more severe and frequent hurricanes, and prolonged droughts now being experienced around the globe can be attributed to "global warming".

Scientists have concluded that one of the main culprits for this phenomenon is carbon dioxide, a "greenhouse gas".

Your Committee understands that Hawaii emits approximately 20 million tons of carbon dioxide annually, with about 42 percent of this figure being emitted by power plants. Your Committee finds that Hawaii needs to shift its focus to finding cleaner energy sources and becoming less dependent upon fossil fuels. Although H.B. No. 2513 which proposed to regulate carbon dioxide emissions has stalled this session, your Committee feels that this measure is a positive step and will allow all concerned parties to continue the discussion of this important issue.

However, your Committee feels that clarification as to what is to be included in the action plan developed by DOH is necessary. Accordingly, your Committee has amended this measure by requiring that the action plan include:

- (1) An analysis of the effects of global warming on Hawaii as forecasted by the Intergovernmental Panel on Climate Change; and
- (2) The economic benefits statewide of a program to reduce carbon dioxide emissions, considering both growth in the renewable energy industry, energy efficiency industry, forestry, and the reduction of fossil fuel expenditures.

Your Committee has also clarified that offsetting of carbon dioxide emissions by sequestration should be limited to land-based sequestration, as ocean-based sequestration has not yet been proven to be effective.

Other technical, nonsubstantive amendments were made for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 179, H.D. 1.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 987 Tourism & Culture on H.C.R. No. 40**



The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to support an amendment to the Cable Act of 1992 relating to "must carry" legislation.

Your Committee recognizes that the federal Cable Act of 1992 must be amended to enable the broadcasting of Hispanic programming to a wider audience of Hawaii viewers, thus preserving and enhancing the vitality of local broadcasting and fostering a fully competitive marketplace that maximizes consumer choice.

Testimony in support of this measure was received from Univision Hawaii, United States Hispanic Chamber of Commerce, and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay and Halford.

#### **SCRep. 988 Tourism & Culture on H.R. No. 41**

The purpose of this resolution is to urge the Hawaii Tourism Authority (HTA) to develop an overall strategy, policy, and plan that will strengthen the administration of the tourism product enrichment and diversification grant program.

The HTA, Maui Economic Development Board, Inc., and the Hawaii Island Economic Development Board supported this measure.

Your Committee recognizes that tourism product enrichment and diversification grants awarded by the HTA are intended to promote tourism related programs, events, activities, and attractions. Your Committee notes that while the grant program has been successful in some areas, it has also had some difficulties, especially in distributing the payment of awards to grant winners on a timely basis. The development of an overall strategy with respect to tourism product enrichment and diversification grants will promote equitable and expeditious distribution of these grants to deserving island organizations statewide.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 41 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford, and Ontai.

#### **SCRep. 989 Tourism & Culture on H.C.R. No. 72**

The purpose of this concurrent resolution is to urge the Hawaii Tourism Authority (HTA) to develop an overall strategy, policy, and plan that will strengthen the administration of the tourism product enrichment and diversification grant program.

The HTA, Maui Economic Development Board, Inc., and the Hawaii Island Economic Development Board supported this measure.

Your Committee recognizes that tourism product enrichment and diversification grants awarded by the HTA are intended to promote tourism related programs, events, activities, and attractions. Your Committee notes that while the grant program has been successful in some areas, it has also had some difficulties, especially in distributing the payment of awards to grant winners on a timely basis. The development of an overall strategy with respect to tourism product enrichment and diversification grants will promote equitable and expeditious distribution of these grants to deserving island organizations statewide.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 72 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Takumi, Halford, and Ontai.

#### **SCRep. 990 Tourism & Culture and Higher Education on H.R. No. 12**

The purpose of this resolution is to request the Auditor to study the feasibility of transferring the operation and management of:

- (1) The Aloha Stadium from the Hawaii Stadium Authority (Authority) to the University of Hawaii (UH); and
- (2) The Kapolei Recreational Sports Complex from the Authority to the UH or the Department of Land and Natural Resources (DLNR).

Testimony in support of the measure was received from the UH. The Department of Accounting and General Services submitted testimony in support of the intent of the measure. DLNR offered comments.

Your Committees recognize that while there has been legislation introduced to transfer the operation and management of the Aloha Stadium and the Kapolei Recreational Sports Complex from the Authority to the UH, there are many unresolved issues such as staffing and planning concerns, budgetary matters, the public's use of these facilities, and the ability of the UH to manage these sports facilities.

Of further concern is the recent revelation that Aloha Stadium is in need of repairs that may cost well over \$1,000,000. Should the transfer proceed, it is not clear which entity would be responsible for these and any future repairs.

Additionally, your Committees remain cognizant of unanswered questions as to the remaining useful life of Aloha Stadium and the impact on the community should another stadium be built in west Oahu.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 12 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay, Takai, Garcia, Hale, McDermott, and Stonebraker.

**SCRep. 991 Tourism & Culture and Higher Education on H.C.R. No. 26**

The purpose of this concurrent resolution is to request the Auditor to study the feasibility of transferring the operation and management of:

- (1) The Aloha Stadium from the Hawaii Stadium Authority (Authority) to the University of Hawaii (UH); and
- (2) The Kapolei Recreational Sports Complex from the Authority to the UH or the Department of Land and Natural Resources (DLNR).

Testimony in support of the measure was received from the UH. The Department of Accounting and General Services submitted testimony in support of the intent of the measure. DLNR offered comments.

Your Committees recognize that while there has been legislation introduced to transfer the operation and management of the Aloha Stadium and the Kapolei Recreational Sports Complex from the Authority to the UH, there are many unresolved issues such as staffing and planning concerns, budgetary matters, the public's use of these facilities, and the ability of the UH to manage these sports facilities.

Of further concern is the recent revelation that Aloha Stadium is in need of repairs that may cost well over \$1,000,000. Should the transfer proceed, it is not clear which entity would be responsible for these and any future repairs.

Additionally, your Committees remain cognizant of unanswered questions as to the remaining useful life of Aloha Stadium and the impact on the community should another stadium be built in west Oahu.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 26 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay, Takai, Garcia, Hale, McDermott, and Stonebraker.

**SCRep. 992 Health and Human Services and Housing on S.C.R. No. 18**

The purpose of this concurrent resolution is to:

- (1) Endorse the School and Community Profiles (SCP) created through collaboration between the Hawaii Performance Partnership Board (HPPB) and various federal, state, county, and community partners;
- (2) Request HPPB and state agencies to work with the University of Hawaii Center on the Family (Center on the Family) to review and adjust the SCP indicators as needed; and
- (3) Encourage public and private agencies to measure progress toward the SCP outcome indicators and to use the outcomes as a basis for policy and program development.

The Special Assistant to the Governor on Children and Families, Department of Human Services, Department of Business, Economic Development, and Tourism, Center on the Family, Hawaii Kids Watch, Hawaii Medical Service Association, Good Beginnings Alliance, Hawaii Kids Count, HPPB, Native Hawaiian Early Childhood Consortium, and a concerned citizen submitted testimony in support of this measure.

Your Committees find that this measure will assist in bringing the government and community together in determining a common method of comparison and unified focus for progress in measuring children's outcomes. The SCP standards provide an excellent means of benchmarking and providing direction for educational and community-based programs in a systematic manner with the goal of ensuring the health, safety, and personal success of children.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 18 and recommend that it be referred to the Committee on Education.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 993 Tourism & Culture on H.R. No. 100**

The purpose of this resolution is to require the State Foundation on Culture and the Arts (SFCA) to report on its progress in complying with the recommendations made by the Auditor in the 1999 audit of the SFCA.

Testimony in support of this measure was submitted by the SFCA, Hawaii Island Economic Development Board, AIA Hawaii State Council, University of Hawaii Art Gallery, Contemporary Museum, Hawaii Alliance for Arts Education, Hawaii Consortium for the Arts, and a concerned citizen.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 100 and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay and Halford.

#### **SCRep. 994 Health and Human Services and Housing on H.R. No. 84**

The purpose of this resolution is to request the United Nations to consider the establishment of a Center for the Health, Welfare, and Education of Children, Youth, and Families for Asia and the Pacific (Center) in Hawaii.

The Hawaii Intergenerational Network and a concerned citizen testified in support of this measure.

Your Committees find that students of University of Hawaii's School of Social Work have expressed interest in global awareness and understanding of various issues that impact human rights, social justice, and peace. The Center could establish Hawaii as a global center that would bring in additional resources, create a learning environment for students, and promote healthy development and education for children, youth, and families.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 84 and recommend its adoption.

Signed by all members of the Committee except Representatives Yonamine, and Stonebraker.

#### **SCRep. 995 Health and Human Services and Housing on H.C.R. No. 123**

The purpose of this concurrent resolution is to request the United Nations to consider the establishment of a Center for the Health, Welfare, and Education of Children, Youth, and Families for Asia and the Pacific (Center) in Hawaii.

The Hawaii Intergenerational Network and a concerned citizen testified in support of this measure.

Your Committees find that students of University of Hawaii's School of Social Work have expressed interest in global awareness and understanding of various issues that impact human rights, social justice, and peace. The Center could establish Hawaii as a global center that would bring in additional resources, create a learning environment for students, and promote healthy development and education for children, youth, and families.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 123 and recommend its adoption.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

#### **SCRep. 996 Health on H.C.R. No. 190**

The purpose of this concurrent resolution is to request that the Patient Safety Task Force (Task Force) of the Healthcare Association of Hawaii submit a report of its efforts to reduce medical errors to the Legislature no later than 20 days prior to the convening of the Regular Session of 2003.

The Healthcare Association of Hawaii testified in support of this measure.

Although not common, mistakes do occur in the complex field of medicine. This has justifiably caused concern among the general public prompting health care organizations to begin efforts to reduce such errors. The establishment of the Task Force was an attempt to aid efforts in error reduction by assisting facilities in the development of a collaborative atmosphere for individuals to discuss problems with the intent of developing long-term solutions to these problems. This is a step in the right direction and will ease the minds of the general public.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 190 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

#### **SCRep. 997 Energy & Environment Protection and Water & Land Use on H.R. No. 67**

The purpose of this resolution is to request the State Environment Council (SEC) and other interested parties to form a working group to discuss and analyze potential amendments to Hawaii's endangered species law, chapter 195D, Hawaii Revised Statutes, to further the goals of protecting and promoting the recovery of Hawaii's unique and imperiled flora and fauna.

The Sierra Club, Hawaii Chapter, and Earthjustice supported this measure. The SEC supported the intent of this measure. The Department of Land and Natural Resources and Hawaii Agriculture Research Center commented on this measure.

While your Committees recognize the complexity of the endangered species law, it is not the intent of your Committees to tax the limited resources of the SEC in complying with the Legislature's reporting requirements of this measure. Rather, a collaborative effort on the part of the members of the working group in the preparation of the report to the Legislature is a reasonable expectation.

Your Committees further appreciate the commitment of the SEC to include in the Office of Environmental Quality Control's (OEQC) annual report to the Governor a component addressing the issue of endangered species, which dovetails with OEQC's goals relating to:

- (1) Recycling;
- (2) Energy sustainability;
- (3) Biodiversity; and
- (4) Controlling consumption, vis-à-vis land development.

Your Committees have amended this measure by:

- (1) Expanding the reporting request to the Legislature to include recommendations;
- (2) Requesting that the issue of conservation of threatened or endangered species on public lands be included in the working group's scope of discussion and analysis; and
- (3) Changing the title to read:

"REQUESTING THE STATE ENVIRONMENTAL COUNCIL, THE DEPARTMENT OF LAND AND NATURAL RESOURCES, SIERRA CLUB, HAWAII CHAPTER, LAND USE RESEARCH FOUNDATION, CONSERVATION COUNCIL OF HAWAII, ESTATE OF JAMES CAMPBELL, EARTHJUSTICE LEGAL DEFENSE FUND, UNIVERSITY OF HAWAII, AND OTHER INTERESTED PARTIES, TO ANALYZE POTENTIAL AMENDMENTS TO HAWAII'S ENDANGERED SPECIES LAW, CHAPTER 195D, HAWAII REVISED STATUTES, TO FURTHER THE GOALS OF PROTECTING AND PROMOTING THE RECOVERY OF HAWAII'S UNIQUE AND IMPERILED FLORA AND FAUNA"; and

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

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 67, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

#### **SCRep. 998 Energy & Environment Protection and Water & Land Use on H.C.R. No. 103**

The purpose of this concurrent resolution is to request the State Environment Council (SEC) and other interested parties to form a working group to discuss and analyze potential amendments to Hawaii's endangered species law, chapter 195D, Hawaii Revised Statutes, to further the goals of protecting and promoting the recovery of Hawaii's unique and imperiled flora and fauna.

The Sierra Club, Hawaii Chapter, and Earthjustice supported this measure. The SEC supported the intent of this measure. The Department of Land and Natural Resources and Hawaii Agriculture Research Center commented on this measure.

While your Committees recognize the complexity of the endangered species law, it is not the intent of your Committees to tax the limited resources of the SEC in complying with the Legislature's reporting requirements of this measure. Rather, a collaborative effort on the part of the members of the working group in the preparation of the report to the Legislature is a reasonable expectation.

Your Committees further appreciate the commitment of the SEC to include in the Office of Environmental Quality Control's (OEQC) annual report to the Governor a component addressing the issue of endangered species, which dovetails with OEQC's goals relating to:

- (1) Recycling;
- (2) Energy sustainability;
- (3) Biodiversity; and
- (4) Controlling consumption, vis-à-vis land development.

Your Committees have amended this measure by:

- (1) Expanding the reporting request to the Legislature to include recommendations;

(2) Requesting that the issue of conservation of threatened or endangered species on public lands be included in the working group's scope of discussion and analysis; and

(3) Changing the title to read:

"REQUESTING THE STATE ENVIRONMENTAL COUNCIL, THE DEPARTMENT OF LAND AND NATURAL RESOURCES, SIERRA CLUB, HAWAII CHAPTER, LAND USE RESEARCH FOUNDATION, CONSERVATION COUNCIL OF HAWAII, ESTATE OF JAMES CAMPBELL, EARTHJUSTICE LEGAL DEFENSE FUND, UNIVERSITY OF HAWAII, AND OTHER INTERESTED PARTIES, TO ANALYZE POTENTIAL AMENDMENTS TO HAWAII'S ENDANGERED SPECIES LAW, CHAPTER 195D, HAWAII REVISED STATUTES, TO FURTHER THE GOALS OF PROTECTING AND PROMOTING THE RECOVERY OF HAWAII'S UNIQUE AND IMPERILED FLORA AND FAUNA"; and

(4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 103, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 103, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

#### **SCRep. 999 Health on S.B. No. 2772**

The purpose of this bill is to authorize the Department of Health (DOH) to suspend, revoke, or deny the renewal of a license of a tattoo artist under specified circumstances.

DOH testified in strong support of this measure.

Your Committee finds that DOH currently has the authority to revoke or suspend the license of a tattoo artist who:

- (1) Is found guilty of any fraud, deceit, or misconduct in the practice of a tattoo artist; or
- (2) Violates the regulatory provisions of statutes or administrative rules governing tattoo artists.

This measure clarifies that DOH would also have the authority to deny the renewal of the tattoo artist's license under the same circumstances.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2772, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

#### **SCRep. 1000 Consumer Protection & Commerce and Judiciary & Hawaiian Affairs on S.B. No. 2093**

The purpose of this bill is to reduce health insurance costs by establishing penalties for acts or omissions related to fraudulent health insurance claims.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association. Testimony in opposition was received from the Hawaii Medical Association and the Office of the Public Defender. The Department of Commerce and Consumer Affairs, Office of Information Practices, and American Council of Life Insurance provided comments.

Your Committees find that insurance fraud is on the rise both locally and nationally. The health insurance industry suffers tremendous annual losses as a result of insurance fraud, which costs are passed on to consumers.

This bill adds fraud provisions modeled after the motor vehicle insurance fraud law enacted in Act 155, Session Laws of 1998, to the laws governing accident and sickness insurance, mutual benefit societies, and health maintenance organizations.

Your Committees support the intent of this bill, but have amended it by replacing its contents with a similar House bill that your Committees believe better achieves the intended purpose of this measure. As amended, the bill:

- (1) References the motor vehicle insurance fraud law; and
- (2) Adds new sections to the health insurance laws that limit civil liability for the disclosure of information used to investigate and prosecute fraud.

Your Committees have also made technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2093, S.D. 1,

as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2093, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Auwae, Gomes, and Meyer.

**SCRep. 1001      Consumer Protection & Commerce on S.B. No. 2468**

The purpose of this bill is to lower the contract price threshold at which a contractor's license is required, from \$1,000 to \$500.

Testimony in support of this measure was submitted by the Contractors License Board, the Department of Commerce and Consumer Affairs, Hawaii Flooring Association, Hawaii Roofing Contractors Association, Subcontractors Association of Hawaii, Harvey's Flooring, Fine Flooring, Inc., and Kaulana Roofing Corporation. The Hawaii Association of Realtors testified in opposition.

Your Committee finds that under current law, persons performing contracting work where the total project cost does not exceed \$1,000, are not required to have a contractor's license. This "handyman" exemption was originally established to allow the undertaking for compensation of relatively simple repair or maintenance work without a license, and in 1992, the project cost threshold was \$200.

Your Committee believes that the current \$1,000 threshold allows unlicensed persons to undertake substantial, skilled work without complying with licensing standards, qualifications, and requirements established to protect the interests of consumers. Your Committee notes that consumers who are harmed by unlicensed contractors have no recourse under the contractor's licensing law.

Although your Committee supports the intent of this measure, your Committee has amended this bill by leaving the contract price threshold blank to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2468, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2468, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

**SCRep. 1002      Consumer Protection & Commerce on S.B. No. 410**

The purpose of this bill is to facilitate the interisland shipment of motor vehicles by repealing the requirement of a legal owner's written consent to the shipment. The bill also allows lenders, law enforcement, and other parties to monitor the interisland transport of vehicles by requiring the carrier to maintain vehicle shipment records and make them available for inspection for a minimum of three years.

Testimony in support of this measure was received from Young Brothers, Limited. First Hawaiian Bank supported the intent of the bill and offered an amendment. The Honolulu Police Department (HPD) and Bank of Hawaii testified in opposition.

Your Committee finds that the current law was written to prevent the unauthorized or fraudulent transporting of vehicles between islands. The law requires that a person shipping a vehicle between islands provide the shipper with current vehicle registration, identification, and proof of insurance.

In addition, if the shipping customer is the registered, but not the legal owner of the vehicle, the customer must also provide the shipper with the written consent of the legal owner. In these cases the legal owner is usually the financial institution that financed the sale of the vehicle. If the shipping customer is the authorized agent of a legal or registered owner, the agent must present a notarized letter from the legal or registered owner to ship the vehicle.

Your Committee finds that the written consent requirement imposes an undue burden on consumers and shippers who are sometimes unclear as to the distinction between a registered owner and a legal owner. Moreover, it should be noted that no such requirement exists for shipping vehicles to Hawaii or between states in the continental United States.

Your Committee finds that this measure facilitates the interisland shipping process while balancing the interests of shippers, consumers, and law enforcement. Although your Committee recognizes the concerns raised by HPD, your Committee feels that the vehicle identification number recodation and recordkeeping requirements provide safeguards against unauthorized or fraudulent shipping which adequately address those concerns.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 410, S.D. 3, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Morita and Yoshinaga.

**SCRep. 1003      Consumer Protection & Commerce on S.B. No. 2518**

The purpose of this bill is to protect the marketing value of the term "koa," by requiring that items represented to be made of koa wood, actually contain acacia koa wood.

The Department of Commerce and Consumer Affairs, Department of Agriculture, and Department of Land and Natural Resources testified in support of the measure.

Your Committee finds that koa products made from the native acacia koa tree are uniquely Hawaiian products. Your Committee heard testimony that vendors are marketing furniture as "koa" when the furniture is in fact made of Australian Blackwood, a related species of koa grown in Australia and New Zealand. Your Committee finds that this bill will help protect consumers and the local koa wood industry by prohibiting the indiscriminate and misleading use of the word "koa" in marketing, and by providing consumers with a clearer understanding of their purchases.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2518, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Morita and Yoshinaga.

**SCRep. 1004      Consumer Protection & Commerce on S.B. No. 2498**

The purpose of this bill is to repeal the sunset date of the statute providing for licensing of clinical social workers.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Department of Health, National Association of Social Workers, Hawaii Youth Services Network, Clinical Social Work Society of Hawaii, two social workers, and two students in the University of Hawaii's Masters of Social Work program.

Your Committee finds that Act 108, Session Laws of Hawaii 2001, includes psychotherapy and clinical diagnosis in the scope of practice for clinical social workers. The Act is scheduled to sunset on January 1, 2003.

Your Committee further finds that the stringent clinical social worker license requirements protect clients by ensuring that they receive quality services. In addition, without licensing, clinical social workers would be in violation of the psychologist licensing law if they practiced psychotherapy, would not qualify for Medicaid reimbursements, and could not offer their services as a cost-effective alternative to other mental health service providers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2498, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Morita and Yoshinaga.

**SCRep. 1005      Water & Land Use on H.C.R. No. 47**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to lease submerged and fast lands of the Honokohau Small Boat Harbor to private entities for commercial recreational educational and research purposes pursuant to Chapter 171, Hawaii Revised Statutes.

The Board of Land and Natural Resources and Honokohau Marina Partners testified in support of this measure. A supporting petition, signed by 73 individuals, identified as "people of Honokohau Small Boat Harbor" was presented to the committee. Opposing testimony was submitted by HGEA, AFSCME and Hawaii's Thousand Friends.

Your committee finds that the state's financial situation has and will continue to preclude the capability of effecting needed repairs, maintenance and expansion of boating facilities on all islands and that privatization of these facilities may be a viable option.

In authorizing such leases "pursuant to Chapter 171, HRS" the committee discussed and notes that the provisions of the state procurement code, Chapter 103D HRS may provide valuable guidance in the administration of "competitive bid proposals".

Privatization of this facility should only occur when it is a win, win, win situation for all involved, in terms of increased revenues for the state over current collections, a reasonable fee increase for boaters at Honokohau commensurate with improved amenities, and additional funding for other small boat harbors throughout the state.

Your committee has amended this measure by making a technical non-substantive correction.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 47, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.

**SCRep. 1006      Water & Land Use on H.C.R. No. 92**

The purpose of this measure is to act on the stated title of this concurrent resolution.

Your committee finds that Hawaii is blessed with opportunities for shoreline and big game ocean fishing but offers limited opportunities for freshwater fishing.

Your committee further finds that public freshwater fishing areas are of great importance to the surrounding local communities by providing valuable access to fishing resources for subsistence and recreational purposes.

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

Your committee amended this resolution by incorporating DLNR suggestions:

- (1) Holding public meetings rather than public hearings when meeting with the public for purpose of exchanging information and ideas.
- (2) Prioritizing DLNR's workload and taking action as permitted by available resources on:
  - a) Repairing and improvement of existing piers;
  - b) Determining where piers once existed; and
  - c) Determining the location for new piers based on public input.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 92, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Schatz.

**SCRep. 1007      Water & Land Use on H.R. No. 29**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct administrative hearings to determine which coastal areas should be designated as marine life conservation districts or fishery management areas due to overfishing and degradation of habitat.

The Department of Land and Natural Resources and the Office of Hawaiian Affairs provided testimony in support of this measure.

Your committee finds that several programs are in use today to manage our marine resources such as Marine Life Conservation Districts (MLCD) which impose limited fishing or the prohibition of all forms of harvesting; Fishery Management Areas (FMA) which included areas that are closed to certain types of fishing or temporarily closed to allow for the recovery of fish population; and community-based management of subsistence fishing areas.

Your committee further finds that although there are a variety of fish refuges, it should significantly be expanded to allow fish populations to recover.

At the request of DLNR, your committee has amended this resolution by stating that public meetings instead of public hearings are to be conducted. The title of this resolution is also amended to reflect the intent of this request.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 29, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 29, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Schatz.

**SCRep. 1008      Water & Land Use on H.C.R. No. 52**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct administrative hearings to determine which coastal areas should be designated as marine life conservation districts or fishery management areas due to overfishing and degradation of habitat.

The Department of Land and Natural Resources and the Office of Hawaiian Affairs provided testimony in support of this measure.

Your committee finds that several programs are in use today to manage our marine resources such as Marine Life Conservation Districts (MLCD) which impose limited fishing or the prohibition of all forms of harvesting; Fishery Management Areas (FMA) which include areas that are closed to certain types of fishing or temporarily closed to allow for the recovery of fish population; and community-based management of subsistence fishing areas.

Your committee further finds that although there are a variety of fish refuges, it should significantly be expanded to allow fish populations to recover.

At the request of DLNR, your committee has amended this resolution by stating that public meetings instead of public hearings are to be conducted. The title of this resolution is also amended to reflect the intent of this request.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 52, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 52, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Schatz.



**SCRep. 1009      Water & Land Use on H.R. No. 38**

The purpose of this resolution is to:

- (1) Urge the Governor and the Undersecretary for Oceans and atmospheric Administration of NOAA to reauthorize the Hawaiian Islands Humpback Whale National Marine Sanctuary.
- (2) Urge sanctuary managers to assess current priority threats to humpback whales in sanctuary waters and develop long-term management strategy and action plan.
- (3) Commend sanctuary managers for exploring appropriate measures addressing the threat of collisions between whales and marine vessels in sanctuary waters.

The Department of Land and Natural Resources, the Department of Business Economic Development and Tourism, NOAA – Humpback Whale NMS, the Office of Hawaiian Affairs, Hawaii Audobon Society, and the National Audubon Society provided testimony in support of this measure.

Your committee has amended this resolution by making technical non substantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 38, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 38, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Schatz.

**SCRep. 1010      Water & Land Use on H.C.R. No. 69**

The purpose of this resolution is to:

- (1) Urge the Governor and the Undersecretary for Oceans and Atmospheric Administration of NOAA to reauthorize the Hawaiian Islands Humpback Whale National Marine Sanctuary.
- (2) Urge sanctuary managers to assess current priority threats to humpback whales in sanctuary waters and develop long-term management strategy and action plan.
- (3) Commend sanctuary managers for exploring appropriate measures addressing the threat of collisions between whales and marine vessels in sanctuary waters.

The Department of Land and Natural Resources, the Department of Business Economic Development and Tourism, NOAA – Humpback Whale NMS, the Office of Hawaiian Affairs, Hawaii Audobon Society, and the National Audubon Society provided testimony in support of this measure.

Your committee has amended this resolution by making technical non substantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 69, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Schatz.

**SCRep. 1011      Water & Land Use on H.R. No. 111**

The purpose of this measure is to have the Department of Land and Natural Resources adopt rules which would:

- a) Enable lessees to be reimbursed for the costs of permanent improvements to leasehold residences at Kokee State Park,
- b) Consider a fair and equitable extension of the term of leases, and
- c) Consider repealing the surrender clause provisions of existing leases to ensure that no private property is taken without compensation.

The Maui Architectural Group, Inc., and the Kokee Leaseholder's Association provided supporting testimony. The Department of Land and Natural Resources opposed this measure.

Your committee finds that existing lessees have made improvements to their lots that have added substantial value to these state-owned lands. At the conclusion of the present leases, lessees choose not to renew their leases or are not offered the opportunity to renew their leases will have lost significant personal resources.

Your committee has amended this measure by:

- (1) Stating that a comprehensive master plan of the Kokee and Waimea Canyon State Parks is in progress with a preliminary draft due in February 2003, and final completion by April 2004; and that a status report be submitted to the legislature prior to the convening of the 2003 session.
- (2) Requesting adoption of a policy which would enable an existing lessee who is outbid at auction to recover improvement costs at current appraised value from the successful bidder.
- (3) Reporting on other recommendations in state land-lease policy that would fairly and equitably meet the needs of lessees while protecting the state's interests.

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

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.

**SCRep. 1012      Water & Land Use on H.C.R. No. 155**

The purpose of this measure is to have the Department of Land and Natural Resources adopt rules which would:

- a) Enable lessees to be reimbursed for the costs of permanent improvements to leasehold residences at Kokee State Park,
- b) Consider a fair and equitable extension of the term of leases, and
- c) Consider repealing the surrender clause provisions of existing leases to ensure that no private property is taken without compensation.

The Maui Architectural Group, Inc., and the Kokee Leaseholder's Association provided supporting testimony. The Department of Land and Natural Resources opposed this measure.

Your committee finds that existing lessees have made improvements to their lots that have added substantial value to these state-owned lands. At the conclusion of the present leases, lessees who choose not to renew their leases or are not offered the opportunity to renew their leases will have lost significant personal resources.

Your committee has amended this measure by:

- (1) Stating that a comprehensive master plan of the Kokee and Waimea Canyon State Parks is in progress with a preliminary draft due in February 2003, and final completion by April 2004; and that a status report be submitted to the legislature prior to the convening of the 2003 session.
- (2) Requesting adoption of a policy which would enable an existing lessee who is outbid at auction to recover improvement costs at current appraised value from the successful bidder.
- (3) Reporting on other recommendations in state land-lease policy that would fairly and equitably meet the needs of lessees while protecting the state's interests.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 155, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 155, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.

**SCRep. 1013      Water & Land Use on H.R. No. 34**

The purpose for this resolution is to request the Department of Land and Natural Resources to allow the Kona Historical Society to use the venue of the Old Kona Airport State Park for fundraising purposes.

Your committee finds that the Old Kona Airport State Park has proven to be an exceptional location to hold community based events. Kona's Community Carnival has been held at this location for almost twenty years and the Big Island Farm Bureau has been allowed to use this venue for fundraising events and functions.

Your committee further finds that the Kona Historical Society, a non-profit organization founded to collect, preserve and disseminate information about the North and South Kona districts on the island of Hawaii is also desirous of using the Old Kona Airport State Park for fundraising purposes.

Your committee has amended this resolution by allowing other non-profit groups to use the old Kona Airport State Park as a venue for fundraising purposes in accordance with established policies.

The Department of Land and Natural Resources testified on this measure stating that the resolution is not required since the department is willing to discuss and provide information to any non-profit group seeking a special use permit for old Kona Airport.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 34, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.R. No. 34, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Schatz.

**SCRep. 1014      Water & Land Use on H.C.R. No. 57**

The purpose for this resolution is to request the Department of Land and Natural Resources to allow the Kona Historical Society to use the venue of the Old Kona Airport State Park for fundraising purposes.

Your committee finds that the Old Kona Airport State Park has proven to be an exceptional location to hold community based events. Kona's Community Carnival has been held at this location for almost twenty years and the Big Island Farm Bureau has been allowed to use this venue for fundraising events and functions.

Your committee further finds that the Kona Historical Society, a non-profit organization founded to collect, preserve and disseminate information about the North and South Kona districts on the island of Hawaii is also desirous of using the Old Kona Airport State Park for fundraising purposes.

Your committee has amended this resolution by allowing other non-profit groups to use the old Kona Airport State Park as a venue for fundraising purposes in accordance with established policies.

The Department of Land and Natural Resources testified on this measure stating that the resolution is not required since the department is willing to discuss and provide information to any non-profit group seeking a special use permit for old Kona Airport.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Schatz.

**SCRep. 1015      Water & Land Use and Agriculture on H.C.R. No. 94**

The purpose of this resolution is to request the Director of the Office of Planning and the Chairperson of the Board of Agriculture to establish an Agricultural Task Force to develop recommendations for the promotion of agricultural development and the protection of existing agricultural land resources and their components.

Your committee finds that the long term viability of agriculture is dependent on numerous factors such as availability of land, factors affecting profitability, availability of water for irrigation, application of production technologies, marketing and transportation service.

Your committee further finds that there exists a need to expand agricultural opportunities in Hawaii and to increase the role of agriculture in diversification of Hawaii's economy.

The Department of Business, Economic Development and Tourism, the Department of Agriculture, University of Hawaii, Hawaii Leeward Planning Conference, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau, Pineapple Growers Association, and Hawaii's Thousand Friends offered testimony in support of this measure.

Your committee has amended this resolution by:

- (1) Recommending that the Department of Business, Economic Development and Tourism, and Hawaii Farm Bureau Federation be included as part of this Task Force.
- (2) Recommending that the Task Force consider and adopt as may be appropriate, the efforts and plans of the "Agricultural Coalition" and the Hawaii Farm Bureau Federation.

Several non-substantive technical changes were also effected.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 94, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 94, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 1016      Health on H.C.R. No. 135**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau conduct a study to determine appropriate criminal penalties, if any, for individuals who knowingly put others at risk for HIV infection and AIDS.

Many concerned citizens testified in support of this measure.

The Department of Health and the Life Foundation opposed this measure.

Your Committee finds that some states currently have laws that criminalize knowing exposure or transmission of the HIV virus or AIDS. However, your Committee is concerned about the legal issues of this measure and respectfully requests the next committee to further explore the legal ramifications of implementing criminal penalties for knowingly placing others at risk for HIV or AIDS.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takai, Yonamine and Stonebraker.

**SCRep. 1017            Health on H.R. No. 74**

The purpose of this resolution is to:

- (1) Request all manufacturers of cigarettes, cigars, snuff, pipe tobacco, or chewing tobacco sold in Hawaii to provide annual reports to the Department of Health (DOH);
- (2) Include the identity of added constituents, nicotine yield ratings and components, and identity and quantity of toxic constituents; and
- (3) Request DOH to investigate public health risks and develop methods and criteria for manufacturers to reduce the risks associated with exposure to harmful constituents, ingredients, and nicotine.

The Coalition for a Tobacco Free Hawaii testified in support of this measure. Hawaii Nurses Association and a concerned citizen supported the intent of this measure.

Your Committee finds that tobacco use remains a leading preventable cause of death in Hawaii. Hawaii's youth continue to start smoking, with approximately 24.5 percent of public high school and 23.9 percent of public middle school students reporting being current smokers.

Your Committee is supportive of reducing smoking and its harmful effects to smokers and individuals who inhale secondhand smoke. However, your Committee recommends a cautious approach with this measure, as testifiers stated that there is currently a related lawsuit, and there may be some legal and constitutional issues regarding disclosure of the requested information.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 74 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 1018            Health on H.C.R. No. 67**

The purpose of this concurrent resolution is to:

- (1) Request all manufacturers of cigarettes, cigars, snuff, pipe tobacco, or chewing tobacco sold in Hawaii to provide annual reports to the Department of Health (DOH);
- (2) Include the identity of added constituents, nicotine yield ratings and components, and identity and quantity of toxic constituents; and
- (3) Request DOH to investigate public health risks and develop methods and criteria for manufacturers to reduce the risks associated with exposure to harmful constituents, ingredients, and nicotine.

The Coalition for a Tobacco Free Hawaii testified in support of this measure. Hawaii Nurses Association and a concerned citizen supported the intent of this measure.

Your Committee finds that tobacco use remains a leading preventable cause of death in Hawaii. Hawaii's youth continue to start smoking, with approximately 24.5 percent of public high school and 23.9 percent of public middle school students reporting being current smokers.

Your Committee is supportive of reducing smoking and its harmful effects to smokers and individuals who inhale secondhand smoke. However, your Committee recommends a cautious approach with this measure, as testifiers stated that there is currently a related lawsuit, and there may be some legal and constitutional issues regarding disclosure of the requested information.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 1019            Health and Human Services and Housing on H.R. No. 85**

The purpose of this resolution is to request the Office of Planning to convene a Food Security Task Force (Task Force) to examine and develop an action plan to effectively and reliably improve food security in Hawaii.

Full Plate, Inc. testified in support of this measure. The Office of Planning supported the intent of this measure.

Your Committees find that food security is an emerging issue that affects the local economy, environment, public health, and quality of neighborhoods. Approximately 20 percent of residents lived in a food insecure household in 1999-2000, and many of those households are not eligible for federal assistance programs.

Your Committees have amended this resolution by:

- (1) Clarifying that the Office of Planning is to appoint members to the Task Force;
- (2) Including the Director of Business, Economic Development, and Tourism or the Director of Labor and Industrial Relations as a possible member of the Task Force to address the economic ramifications of food security; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 85, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 85, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 1020                      Health and Human Services and Housing on H.C.R. No. 124**

The purpose of this concurrent resolution is to request the Office of Planning to convene a Food Security Task Force (Task Force) to examine and develop an action plan to effectively and reliably improve food security in Hawaii.

Full Plate, Inc. testified in support of this measure. The Office of Planning supported the intent of this measure.

Your Committees find that food security is an emerging issue that affects the local economy, environment, public health, and quality of neighborhoods. Approximately 20 percent of residents lived in a food insecure household in 1999-2000, and many of those households are not eligible for federal assistance programs.

Your Committees have amended this concurrent resolution by:

- (1) Clarifying that the Office of Planning is to appoint members to the Task Force;
- (2) Including the Director of Business, Economic Development, and Tourism or the Director of Labor and Industrial Relations as a possible member of the Task Force to address the economic ramifications of food security; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 124, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 124, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 1021                      Higher Education on H.R. No. 4**

The purpose of this resolution is to establish an Office of Smoking and Health within the new University Health and Wellness Center.

The Hawaii Medical Service Association, Coalition for a Tobacco Free Hawaii, and the West Hawaii Tobacco Free Coalition submitted testimony in support of this resolution. The University of Hawaii and American Lung Association of Hawaii submitted testimony in support of the intent of this resolution.

Your Committee finds that establishing an Office of Smoking and Health will ensure that the moneys from the Hawaii tobacco settlement fund will be used for their intended purpose.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 4 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1022                      Higher Education on H.C.R. No. 8**

The purpose of this concurrent resolution is to establish an Office of Smoking and Health within the new University Health and Wellness Center.

The Hawaii Medical Service Association, Coalition for a Tobacco Free Hawaii, and the West Hawaii Tobacco Free Coalition submitted testimony in support of this concurrent resolution. The University of Hawaii and American Lung Association of Hawaii submitted testimony in support of the intent of this concurrent resolution.

Your Committee finds that establishing an Office of Smoking and Health will ensure that the moneys from the Hawaii tobacco settlement fund will be used for their intended purpose.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1023            Higher Education on H.R. No. 87**

The purpose of this resolution is to request the University of Hawaii (UH) to study the feasibility of permitting certain immigrant students to pay resident tuition rates.

UH and an individual submitted testimony in support of this resolution.

Your Committee finds that many residents of immigrant status have been raised in Hawaii and graduated from Hawaii's high schools but have not been able to solidify their status as citizens of the United States. These immigrant students have the potential to be future leaders and productive members of our State and a study should be conducted as to the feasibility of allowing them to pay resident tuition rates.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 87 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Hale, Bukoski, Halford, and Ontai.

**SCRep. 1024            Higher Education on H.C.R. No. 128**

The purpose of this concurrent resolution is to request the University of Hawaii (UH) to study the feasibility of permitting certain immigrant students to pay resident tuition rates.

UH and an individual submitted testimony in support of this concurrent resolution.

Your Committee finds that many residents of immigrant status have been raised in Hawaii and graduated from Hawaii's high schools but have not been able to solidify their status as citizens of the United States. These immigrant students have the potential to be future leaders and productive members of our State and a study should be conducted as to the feasibility of allowing them to pay resident tuition rates.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 128 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Hale, Bukoski, Halford, Ontai.

**SCRep. 1025            Higher Education on H.R. No. 110**

The purpose of this resolution is to establish a Hawaii media preservation and technology archiving application pilot project.

The University of Hawaii submitted testimony in support of this resolution.

Your Committee finds that a vital part of the unique legacy of the State is in crisis. Hawaii's humid, tropical climate threatens historical media collections belonging to major institutions, and these archival resources must be preserved before further deterioration occurs.

Your Committee finds that if Hawaii aspires to be a center for digital media production and development, existing resources must be preserved. There is immediate need to address this issue through a Hawaii media preservation and technology archiving application pilot project.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 110 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1026            Higher Education on H.C.R. No. 154**

The purpose of this concurrent resolution is to establish a Hawaii media preservation and technology archiving application pilot project.

The University of Hawaii submitted testimony in support of this concurrent resolution.

Your Committee finds that a vital part of the unique legacy of the State is in crisis. Hawaii's humid, tropical climate threatens historical media collections belonging to major institutions, and these archival resources must be preserved before further deterioration occurs.

Your Committee finds that if Hawaii aspires to be a center for digital media production and development, existing resources must be preserved. There is immediate need to address this issue through a Hawaii media preservation and technology archiving application pilot project.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1027            Higher Education on H.R. No. 130**

The purpose of this resolution is to request that the leadership of the state House of Representatives and Senate meet with the President of the University of Hawaii (UH) and his designated representatives to explore ways that the UH can contribute to more informed and better decision-making by the Legislature in a wide variety of disciplines and topical areas.

UH submitted testimony in support of this resolution.

Your Committee finds that the Legislature and UH could better work to serve the community in a collaborative effort, sharing ideas and information, in order to further the goals that both parties have for UH.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 130 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1028            Higher Education on H.C.R. No. 181**

The purpose of this concurrent resolution is to request that the leadership of the state House of Representatives and Senate meet with the President of the University of Hawaii (UH) and his designated representatives to explore ways that the UH can contribute to more informed and better decision-making by the Legislature in a wide variety of disciplines and topical areas.

UH submitted testimony in support of this concurrent resolution.

Your Committee finds that the Legislature and UH could better work to serve the community in a collaborative effort, sharing ideas and information, in order to further the goals that both parties have for UH.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 181 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott, and Stonebraker.

**SCRep. 1029            Labor & Public Employment on H.C.R. No. 31**

The purpose of this Concurrent Resolution is to request Hawaii Uninsured Project to convene a Prepaid Health Care Act Task Force to review and examine the effectiveness of the Prepaid Health Care Act.

Specifically, the Task Force is requested to examine the feasibility of:

- (1) Amending the Prepaid Health Care Act and the possible effects the amendments could have on Hawaii's exemption from the Employee Retirement Income Security Act of 1974; and
- (2) Identifying or developing a process to ensure that any amendment to the Prepaid Health Care Act does not jeopardize Hawaii's exemption.

The Task Force is also requested to conduct a comprehensive study on:

- (1) The cost and impact of various scenarios and amendments to the Prepaid Health Care Act; and
- (2) Historical and trend analysis of insurance coverage, wages, employer/employee contributions, cost of health insurance, cost of health care and other local and national factors related to the efficacy and impact of the Prepaid Health Care Act.

Your Committee finds that employees in Hawaii sometimes need to take time off from work to care for their family members. Often, vacation time is limited and not all employers are willing to allow their employees to use their sick leave for this purpose. One alternative is to take family leave.

Your Committee finds that the State enacted a Family Leave law in 1991, codified as chapter 398, Hawaii Revised Statutes, which entitles an employee to a total of four weeks of family leave during any calendar year upon the birth or adoption of a child, to care for the employee's child, spouse, or reciprocal beneficiary, or parent with a serious health condition. The law covers private and public employers employing one hundred or more employees for each working day during each of twenty or more calendar weeks in the current or preceding calendar year, and covers employees who work for not fewer than six consecutive months for the employer.

Even so, your Committee finds that workers in Hawaii, after eleven years of implementation of the Hawaii Family Leave law, still suffer from the pressures and stress of having to work and to care for their family members.

Accordingly, upon further consideration, your Committee has amended this Concurrent Resolution by deleting its contents and replacing it with material:

- (1) Amending the title of the Concurrent Resolution to read:

"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO COMPARE LEGISLATIVE PROPOSALS TO ALLOW EMPLOYEES TO USE SICK LEAVE TO CARE FOR THEIR FAMILIES AND HAWAII'S FAMILY LEAVE LAW, AS CODIFIED IN CHAPTER 398, HAWAII REVISED STATUTES"; and

- (2) Requesting the Legislative Reference Bureau to compare legislative proposals to allow employees to take sick leave to care for their families with Hawaii's Family Leave Law, as codified in chapter 398, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 31, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 31, H.D. 1.

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

**SCRep. 1030      Water & Land Use on H.R. No. 15**

The purpose of this resolution is to support the acquisition by the United States National Park Service of Kahuku Ranch on the island of Hawaii. The ranch consists of approximately 117,000 acres and is up for sale.

Your committee finds that the Kahuku Ranch parcel contains outstanding geological, biological, cultural, scenic, and recreational value and is the sole habitat for at least four threatened and endangered bird species endemic to Hawaii. Within the Ki'ilae lands which the National Park Service is seeking to acquire, more than 800 archeological sites, structures, and features have been identified.

Your committee further finds that acquisition of these lands would give the National Park Service an excellent opportunity to expand and protect native plants and archeological sites.

The Department of Land and Natural Resource, and the Trust for Public Land provided written testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 15 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1031      Water & Land Use on H.C.R. No. 30**

The purpose of this concurrent resolution is to support the acquisition by the United States National Park Service of Kahuku Ranch on the island of Hawaii. The ranch consists of approximately 117,000 acres and is up for sale.

Your committee finds that the Kahuku Ranch parcel contains outstanding geological, biological, cultural, scenic, and recreational value and is the sole habitat for at least four threatened and endangered bird species endemic to Hawaii. Within the Ki'ilae lands which the National Park Service is seeking to acquire, more than 800 archeological sites, structures, and features have been identified.

Your committee further finds that acquisition of these lands would give the National Park Service an excellent opportunity to expand and protect native plants and archeological sites.

The Department of Land and Natural Resource, and the Trust for Public Land provided written testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 30 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1032      Water & Land Use on H.R. No. 32**

The purpose of this resolution is to request from the Board of Land and Natural Resources, a report to the Legislature on the progress of meeting the objectives of Act 166, SLH 1992, to include information which will assist the Legislature in making a decision as to the public interest of condemnation of lands adjacent to the Kohala Historical Monument Sites.



Your committee finds that the acquisition of abutting lands to the Historical Sites offers an opportunity for the preservation of unique scenic, archeological and cultural assets not only for the children of today, but for generations to come.

Your committee received testimony in support of this measure from the Department of Land and Natural Resources and the Mookini Foundation.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 32 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1033      Water & Land Use on H.C.R. No. 55**

The purpose of this concurrent resolution is to request from the Board of Land and Natural Resources, a report to the Legislature on the progress of meeting the objectives of Act 166, SLH 1992, to include information which will assist the Legislature in making a decision as to the public interest of condemnation of lands adjacent to the Kohala Historical Monument Sites.

Your committee finds that the acquisition of abutting lands to the Historical Sites offers an opportunity for the preservation of unique scenic, archeological and cultural assets not only for the children of today, but for generations to come.

Your committee received testimony in support of this measure from the Department of Land and Natural Resources and the Mookini Foundation.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1034      Water & Land Use on H.R. No. 119**

The purpose of this resolution is to request the Department of Land and Natural Resources to work with the commercial boating industry to find a location on both Maui and on Kauai where haul-out inspections may be conducted for the seaworthiness and safety of vessels, in compliance with United States Coast Guard requirements.

Your committee on Water and Land Use finds that only Oahu and the Big Island have haul-out facilities necessitating that commercial boaters out of Maui and Kauai must sail their vessels to Oahu or the Big Island in order to perform these inspections.

Your committee further finds that it is extremely costly for the commercial boaters to send their vessels to other islands due to loss of income from their normal charters as well as travel costs incurred by the crew. Another concern is for the safety of the vessel and crew members while crossing the channels during inclement weather in order to meet their pre-determined date of inspection on Oahu or the Big Island.

The Department of Land and Natural Resources, Paradise Cruise Ltd, and Captain Andy's testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 119 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1035      Water & Land Use on H.C.R. No. 163**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to work with the commercial boating industry to find a location on both Maui and on Kauai where haul-out inspections may be conducted for the seaworthiness and safety of vessels, in compliance with United States Coast Guard requirements.

Your committee on Water and Land Use finds that only Oahu and the Big Island have haul-out facilities necessitating that commercial boaters out of Maui and Kauai must sail their vessels to Oahu or the Big Island in order to perform these inspections.

Your committee further finds that it is extremely costly for the commercial boaters to send their vessels to other islands due to loss of income from their normal charters as well as travel costs incurred by the crew. Another concern is for the safety of the vessel and crew members while crossing the channels during inclement weather in order to meet their pre-determined date of inspection on Oahu or the Big Island.

The Department of Land and Natural Resources, Paradise Cruise Ltd, and Captain Andy's testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1036      Water & Land Use on H.C.R. No. 83**

The purpose of this resolution requests that the Board of Land and Natural Resources meet with all stakeholders and users at Keehi Lagoon to develop a conceptual master plan which utilizes unutilized submerged and fast lands for development and to lease these unutilized lands.

Your committee finds that in 1990, an EIS was completed for the Keehi Lagoon Recreation Plan and approved by the Governor which included a substantial increase in recreational and commercial berths. The objectives for Keehi Lagoon included the use of private sector funds to implement the recommendation of the Recreation Plan by leasing unimproved areas to a private developer which would result in generation of revenues for the State.

Your committee further finds that private companies have expressed an interest in managing or developing these underutilized areas. This presents the State with great potential benefit for recreational and visitor industry.

Your committee also finds that lands in or around Keehi Lagoon are presently under the jurisdiction of the Department of Transportation, and should be considered for transfer to the Department of Land and Natural Resources.

The Department of Land and Natural Resources, the Department of Transportation, and a private citizen provided testimony in support of this resolution. Hawaii's Thousand Friends offered testimony in opposition to the measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 83 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1037      Water & Land Use on H.C.R. No. 87**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to develop recommendations to provide equitable access to and use of the waters and beaches of the State for both organized water sports events and individual recreational users.

Your committee finds that Hawaii has long been considered the surfing mecca of the world with her beautiful surfing spots and the natural beauty of our islands as the backdrop popularized by commercially sponsored surfing events shown on television worldwide.

Your committee further finds that these positive attributes have also come at the expense of the general public. While the number of commercially sponsored professional surfing events are increasing, beach access and availability of surf spots to our local residents in well-known popular areas are decreasing.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1038      Water & Land Use on H.R. No. 143**

The purpose of this resolution is to request the Department of Land and Natural Resources to convene a Task Force to determine the feasibility of establishing a freshwater fishery at the Wahiawa Reservoir, Oahu.

Your committee finds that recreational fishing is a popular sport enjoyed not only by local residents, but visitors to this State as well. The Wahiawa Freshwater State Recreational Area offers one of the few freshwater fishing opportunities in the State.

Your committee further finds that the discharge of treated effluent into the Reservoir from the Wahiawa Wastewater Treatment Plant is contributing to fish kills and the closing of the Waiialua Sugar Company, which no longer uses the water from the Reservoir, has caused the water level in the Reservoir to rise, impeding fishing from the banks. The revitalization of the Reservoir provides an opportunity for economic growth through fishing tournaments, guided fishing tours, related businesses, including boat rentals, fishing equipment and even fish hatcheries.

The Department of Land and Natural Resources, the Department of Business Economic Development and Tourism, the Hawaii Freshwater Fishing Association and Wahiawa Middle School Fish Hatchery testified in support of this measure.

Your committee has amended this resolution by clarifying that the Governor is requested to appoint the members of the Task Force and to allow for the flexibility in the number of those appointments.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 143, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 143, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1039      Water & Land Use on H.C.R. No. 200**

The purpose of this resolution is to request the Department of Land and Natural Resources to convene a Task Force to determine the feasibility of establishing a freshwater fishery at the Wahiawa Reservoir, Oahu.

Your committee finds that recreational fishing is a popular sport enjoyed not only by local residents, but visitors to this State as well. The Wahiawa Freshwater State Recreational Area offers one of the few freshwater fishing opportunities in the State.

Your committee further finds that the discharge of treated effluent into the Reservoir from the Wahiawa Wastewater Treatment Plant is contributing to fish kills and the closing of the Waialua Sugar Company, which no longer uses the water from the Reservoir, has caused the water level in the Reservoir to rise, impeding fishing from the banks. The revitalization of the Reservoir provides an opportunity for economic growth through fishing tournaments, guided fishing tours, related businesses, including boat rentals, fishing equipment and even fish hatcheries.

The Department of Land and Natural Resources, the Department of Business Economic Development and Tourism, the Hawaii Freshwater Fishing Association and Wahiawa Middle School Fish Hatchery testified in support of this measure.

Your committee has amended this resolution by clarifying that the Governor is requested to appoint the members of the Task Force and to allow for the flexibility in the number of those appointments.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 200, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1040      Water & Land Use on H.C.R. No. 66**

The purpose of this concurrent resolution is to authorize the Department of Land and Natural Resources to develop an area of public lands as an industrial park in accordance with section 171-132 HRS.

Your committee has amended this measure by identifying the location for the proposed industrial park as being located in South Hilo, on the island of Hawaii.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 66, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1041      Higher Education on H.R. No. 107**

The purpose of this resolution is to congratulate Ka Leo O Hawaii (Ka Leo) and the University of Hawaii (UH) at Manoa for maintaining their commitment to a free student press throughout 80 years of tradition.

UH and UH Student Publications submitted testimony in support of this resolution.

Your Committee finds that on September 19, 1922, Ka Leo began as a weekly newspaper called The Hawaii Mirror. Two months later, the tradition of Ka Leo was established and now serves as a training ground for community leaders and professional journalists and photographers.

Your Committee finds that UH has remained committed to a free college press by allowing students to make their own decisions about what should be covered. Ka Leo has been a newspaper from which original ideas stem and news is uncovered, often before its professional counterparts. Ka Leo is one of the few college newspapers where students handle all aspects of its operation and has won national awards for editorial and advertising excellence.

Your Committee finds that Ka Leo's circulation of 14,000 makes it the sixth largest daily newspaper in the state and deserving of congratulatory response from the Legislature.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 107 and recommends its adoption.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1042      Higher Education on H.R. No. 105**

The purpose of this resolution is to proclaim September 2002 as "Voter Education Month".

Kids Voting Hawaii testified in support of this resolution.

Your Committee finds that voting is a fundamental privilege and many of Hawaii's citizens are not explicitly taught nor are they aware of what this privilege entails. Voter registration and turnout are extremely low compared to percentages in 1959.

Your Committee finds that there will be several important events that relate to voting in the month of September that are intended to create an informed public and increase voter registration and awareness for the election in November and the years to follow.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 105 and recommends its adoption.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1043      Higher Education on H.C.R. No. 147**

The purpose of this concurrent resolution is to proclaim September 2002 as "Voter Education Month".

Kids Voting Hawaii testified in support of this concurrent resolution.

Your Committee finds that voting is a fundamental privilege and many of Hawaii's citizens are not explicitly taught nor are they aware of what this privilege entails. Voter registration and turnout are extremely low compared to percentages in 1959.

Your Committee finds that there will be several important events that relate to voting in the month of September that are intended to create an informed public and increase voter registration and awareness for the election in November and the years to follow.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 147 and recommends its adoption.

Signed by all members of the Committee except Representatives Garcia, Ito, McDermott and Stonebraker.

**SCRep. 1044      Human Services and Housing and Health on H.R. No. 104**

The purpose of this resolution is to request Congress to appropriate \$85,000,000 to reimburse Hawaii for expenses incurred for education and social services provided to Micronesians and Marshall Islanders who migrated to Hawaii over the past 15 years.

Several concerned citizens testified in support of this measure.

Your Committees find that Micronesians and Marshall Islanders have been allowed in Hawaii as non-immigrants as a result of the Compact of Free Association. The State has borne the majority of the costs of care and education for these non-immigrants, but has received very little reimbursement from the federal government.

Your Committees have amended this resolution by:

- (1) Inserting a quote from the United States Code (USC) stating the intent of Congress is not to cause any adverse consequences;
- (2) Inserting a quote from the USC authorizing Congress to appropriate funds to cover costs incurred; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 104, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 104, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Yonamine and Stonebraker.

**SCRep. 1045      Human Services and Housing and Health on H.C.R. No. 146**

The purpose of this concurrent resolution is to request Congress to appropriate \$85,000,000 to reimburse Hawaii for expenses incurred for education and social services provided to Micronesians and Marshall Islanders who migrated to Hawaii over the past 15 years.

Several concerned citizens testified in support of this measure.

Your Committees find that Micronesians and Marshall Islanders have been allowed in Hawaii as non-immigrants as a result of the Compact of Free Association. The State has borne the majority of the costs of care and education for these non-immigrants, but has received very little reimbursement from the federal government.

Your Committees have amended this concurrent resolution by:

- (1) Inserting a quote from the United States Code (USC) stating the intent of Congress is not to cause any adverse consequences;
- (2) Inserting a quote from the USC authorizing Congress to appropriate funds to cover costs incurred; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 146, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 146, H.D. 1.

Signed by all members of the Committee except Representatives Takai, Yonamine and Stonebraker.

**SCRep. 1046            Water & Land Use on H.C.R. No. 19**

The purpose of this proposed concurrent resolution is to help insure the continuing fuel-servicing capability at Ala Wai for its more than 700 boaters and visiting vessels who would otherwise be required to obtain fuel at Keehi Lagoon.

The Ala Wai marine fueling facility is being operated under a revocable permit following the default of the prior lessee. The permit can be terminated upon thirty days notice and no permanent structures or improvements may be made to the premises by the permittee. Furthermore, a recent engineering survey of the fueling facility revealed serious structural deterioration of the concrete decking and fender system that requires major repairs or replacement at a cost of \$285,000; additionally, repairs to the building including compliance with ADA provisions, building and electrical code, sewage systems, a new roof and other improvements; may exceed \$200,000.

The proposed HD1 was initiated by your Water & Land Use committee chair as a result of a meeting at Ala Wai Harbor in which a plea for assistance was made to help insure that fuel servicing would continue--in light of indication that the present operator was seriously considering termination of his lease due to liability concerns. DLNR/DOBOR explained that a request for a long-term lease was denied by the Board of Land and Natural Resources, because it was the State Administration's wish to privatize the entire small boat harbor so that the fueling facility would be encompassed by the overall privatization contract. Your Water & Land Use chair then indicated to the boaters that a previously introduced concurrent resolution would be totally amended to strongly request that DLNR approve a long term lease. (Reso introduction cut-off date had already passed.)

DLNR supported the HD1 as proposed and one individual offered comments. The Ala Wai Marina Board, Makai Society, Hawaii Boaters Political Action Association and eight individuals presented testimony in opposition. Some were extremely critical because of the misconception that the original HCR was being acted upon.

Although the purpose and genesis of the amended HCR was initially and repeatedly explained, some of the testifiers continued with innuendoes and insistence of ulterior motives on the part of DLNR/DOBOR and that this measure was not necessary since a 1998 HCR already provides authority to proceed with a long term lease of the fueling facility. Because of past denial action on the part of the BLNR, your chair and committee explained that a restatement of legislative intent and a strongly worded request was most appropriate.

After a long and sometimes frustrating discussion, your chair recommended that this measure be held. Your committee members, however, expressed strong belief that this measure should be passed with amendments clarifying that the lease be restricted to submerged lands adjacent to the fuel dock and include a convenience store and laundromat.

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

Signed by all members of the Committee except Representatives Ito and Schatz.  
(Representative Bukoski voted no.)

**SCRep. 1047            Tourism & Culture on H.R. No. 99**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), with the assistance of the Hawaii Tourism Authority (HTA) and Department of Taxation (DOTAX), to conduct a study to measure visitor accommodations performance.

The HTA and DBEDT submitted testimony in support of this measure.

Your Committee has amended this measure to add that the Hawaii Hotel Association is requested to work with DBEDT, HTA, and DOTAX in studying and identifying means to better measure monthly visitor accommodations performance on a timely basis. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 99, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay and Halford.

**SCRep. 1048            Tourism & Culture on H.C.R. No. 142**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), with the assistance of the Hawaii Tourism Authority (HTA) and Department of Taxation (DOTAX), to conduct a study to measure visitor accommodations performance.

The HTA and DBEDT submitted testimony in support of this measure.

Your Committee has amended this measure to add that the Hawaii Hotel Association is requested to work with DBEDT, HTA, and DOTAX in studying and identifying means to better measure monthly visitor accommodations performance on a timely basis. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 142, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 142, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Case, Magaoay and Halford.

**SCRep. 1049 Consumer Protection & Commerce on H.C.R. No. 63**

The purpose of this concurrent resolution is to request the Narcotics Enforcement Division of the Department of Public Safety (NED) to conduct a study examining methods to reduce prescription fraud, mitigate prescription errors, and control costs of drug prescription within the State.

Script IQ testified in support of this measure. The Department of Public Safety supported the intent of this measure.

Your Committee finds that errors from illegible handwriting and/or "like sounding" drugs result in thousands of injuries and deaths annually. Furthermore, prescriptions are currently written on plain paper stock and are easily stolen and duplicated. This measure proposes a study to identify potential opportunities to reduce prescription drug fraud and errors and control costs of drug prescription within the State.

NED testified that, although it supports the intent of this measure, it is not the appropriate agency to conduct the study. NED has statutory responsibility to monitor controlled substances and investigate allegations of prescription fraud. NED is not involved in any way with prescription errors or the prescribing of drugs in general.

Therefore, your Committee has amended this measure by requesting the Legislative Reference Bureau, rather than NED, to conduct the study.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 63, H.D. 2.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki, Yoshinaga and Meyer.

**SCRep. 1050 Consumer Protection & Commerce on H.R. No. 137**

The purpose of this resolution is to reduce unintended pregnancies and induced abortions, by requesting that an advisory committee on protocols be formed to draft protocols allowing pharmacists to dispense emergency contraception without a prior prescription from physicians.

The Hawaii State Commission on the Status of Women, the Hawaii Women's Political Caucus and the Hawaii Women's Coalition, Planned Parenthood of Hawaii, Healthy Mothers, Healthy Babies Coalition of Hawaii, Kaiser Permanente, and a concerned individual offered testimony in support of this resolution. The Board of Pharmacy commented on the measure and offered an amendment.

Your Committee finds that emergency contraception is an important tool for reducing unplanned pregnancies resulting from failures of contraceptives, failure to use contraceptives, or sexual assaults. In addition, induced abortions subsequent to unintended pregnancies could be avoided if emergency contraceptive measures were more readily available.

Your Committee further finds the availability and timeliness of the use of emergency contraception plays a crucial role in its effectiveness. Presently, pharmacists are not allowed to dispense emergency contraceptives without a prescription from a physician, whose services may not be easily accessible or available. Limited physician access is of particular concern for those in rural, low income, or neighbor island communities. With limited access, the window of effectiveness of emergency contraceptives becomes smaller, because although emergency contraceptives must be used within 72 hours, they are most effective when used within 24 hours.

Your Committee finds that this measure takes a reasonable approach toward addressing a difficult but critically important issue facing our community. The proposed advisory committee on protocols is to be chaired by the Chairperson of the Board of Pharmacy and to consist of representatives of pharmacist, obstetrician, and gynecologist associations, and of the Hawaii Medical Association. This allows for a strong collaboration to take place between medical and pharmacy professionals in developing and reaching consensus on the protocols.

Your Committee understands that the Board of Pharmacy is concerned that its chairperson may be unable to attend all meetings of the advisory committee on protocols.

Accordingly, your Committee has amended this resolution by allowing the Chairperson of the Board of Pharmacy or the Chairperson's designee to chair the advisory committee on protocols. Technical, nonsubstantive amendments have also been made for consistency and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 137, H.D. 1.

Signed by all members of the Committee except Representatives Case, Morita and Yoshinaga.  
(Representative Whalen voted no.)

**SCRep. 1051      Consumer Protection & Commerce on H.C.R. No. 194**

The purpose of this concurrent resolution is to reduce unintended pregnancies and induced abortions, by requesting that an advisory committee on protocols be formed to draft protocols allowing pharmacists to dispense emergency contraception without a prior prescription from physicians.

The Hawaii State Commission on the Status of Women, the Hawaii Women's Political Caucus and the Hawaii Women's Coalition, Planned Parenthood of Hawaii, Healthy Mothers, Healthy Babies Coalition of Hawaii, Kaiser Permanente, and a concerned individual offered testimony in support of this concurrent resolution. The Board of Pharmacy commented on the measure and offered an amendment.

Your Committee finds that emergency contraception is an important tool for reducing unplanned pregnancies resulting from failures of contraceptives, failure to use contraceptives, or sexual assaults. In addition, induced abortions subsequent to unintended pregnancies could be avoided if emergency contraceptive measures were more readily available.

Your Committee further finds the availability and timeliness of the use of emergency contraception plays a crucial role in its effectiveness. Presently, pharmacists are not allowed to dispense emergency contraceptives without a prescription from a physician, whose services may not be easily accessible or available. Limited physician access is of particular concern for those in rural, low income, or neighbor island communities. With limited access, the window of effectiveness of emergency contraceptives becomes smaller, because although emergency contraceptives must be used within 72 hours, they are most effective when used within 24 hours.

Your Committee finds that this measure takes a reasonable approach toward addressing a difficult but critically important issue facing our community. The proposed advisory committee on protocols is to be chaired by the Chairperson of the Board of Pharmacy and to consist of representatives of pharmacist, obstetrician, and gynecologist associations, and of the Hawaii Medical Association. This allows for a strong collaboration to take place between medical and pharmacy professionals in developing and reaching consensus on the protocols.

Your Committee understands that the Board of Pharmacy is concerned that its chairperson may be unable to attend all meetings of the advisory committee on protocols.

Accordingly, your Committee has amended this concurrent resolution by allowing the Chairperson of the Board of Pharmacy or the Chairperson's designee to chair the advisory committee on protocols. Technical, nonsubstantive amendments have also been made for consistency and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 194, H.D. 1.

Signed by all members of the Committee except Representatives Case, Morita, and Yoshinaga.  
(Representative Whalen voted no.)

**SCRep. 1052      Energy & Environment Protection and Water & Land Use on H.R. No. 66**

The purpose of this resolution is to assist the Watchable Wildlife Program (Program) in integrating wildlife-related recreation, education, and conservation of Hawaii's diverse flora and fauna.

Specifically, private organizations, along with federal, state, and county agencies, will form a steering committee to:

- (1) Create visitor industry training and public education programs;
- (2) Install interpretive exhibits and directional signs; and
- (3) Develop a wildlife viewing guide.

The Department of Land and Natural Resources supported this measure.

Ecotourism is one of the fastest growing sectors of Hawaii's tourism industry. This Program will present a positive experience for visitors and residents and will help to instill the value of our unique environment while protecting its beauty.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 66 and recommend its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski, and Meyer.

**SCRep. 1053      Energy & Environment Protection and Water & Land Use on H.C.R. No. 102**

The purpose of this concurrent resolution is to assist the Watchable Wildlife Program (Program) in integrating wildlife-related recreation, education, and conservation of Hawaii's diverse flora and fauna.

Specifically, private organizations, along with federal, state, and county agencies, will form a steering committee to:

- (1) Create visitor industry training and public education programs;
- (2) Install interpretive exhibits and directional signs; and
- (3) Develop a wildlife viewing guide.

The Department of Land and Natural Resources supported this measure.

Ecotourism is one of the fastest growing sectors of Hawaii's tourism industry. This Program will present a positive experience for visitors and residents and will help to instill the value of our unique environment while protecting its beauty.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 102 and recommend its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski and Meyer.

**SCRep. 1054      Water & Land Use and Education on H.R. No. 64**

The purpose of this resolution is to indicate the legislature's support for the inclusion of Hawaii fishponds in the curricular of Hawaii public schools.

The Department of Education testified in favor but stated that this measure is not necessary since the BOE recently adopted policy 2140 that provided generic support for the learning of Hawaiian history, culture and language.

Your committee feels that much can be learned about Hawaiian culture through the valuable experience of preserving, nurturing and revitalizing the Loki I'a such that this measure appropriately communicates the legislature's intent.

Your committee has amended this measure by acknowledging adoption of policy 2140 by the Board of Education and making technical non-substantive changes for style and clarity.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 64, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Bukoski, and Meyer.

**SCRep. 1055      Water & Land Use and Education on H.C.R. No. 98**

The purpose of this concurrent resolution is to indicate the legislature's support for the inclusion of Hawaii fishponds in the curricular of Hawaii public schools.

The Department of Education testified in favor but stated that this measure is not necessary since the BOE recently adopted policy 2140 that provides generic support for the learning of Hawaiian history, culture and language.

Your committee feels that much can be learned about Hawaiian culture through the valuable experience of preserving, nurturing and revitalizing the Loki I'a such that this measure appropriately communicates the legislature's intent.

Your committee has amended this measure by acknowledging adoption of policy 2140 by the Board of Education and making technical non-substantive changes for style and clarity.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 98, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 98, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Schatz, Bukoski, and Meyer.

**SCRep. 1056      Consumer Protection & Commerce on H.R. No. 30**

The purpose of this resolution is to establish a task force to:

- (1) Examine state regulation of providers of death services; and
- (2) Make recommendations to ensure that the public is adequately protected.

The Department of Health, Hawaii Funeral Directors Association, and several concerned individuals testified in support of this resolution. The Department of Commerce and Consumer Affairs supported the intent of this measure.



Your Committee finds that grieving families who have recently lost a loved one may be easy targets for overzealous or unscrupulous providers of death services. Recent events in Hawaii and on the mainland highlight the need for an in-depth examination of the State's current regulatory scheme.

Your Committee further finds that the term "provider of death services" may have a negative connotation and that the term "death care providers" is preferred by industry representatives.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to read, "REQUESTING ESTABLISHMENT OF A TASK FORCE TO EXAMINE STATE REGULATION OF DEATH CARE PROVIDERS";
- (2) Replacing references to "providers of death services" with "death care providers"; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 30, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Yoshinaga, Gomes and Meyer.

**SCRep. 1057      Consumer Protection & Commerce on H.C.R. No. 53**

The purpose of this concurrent resolution is to establish a task force to:

- (1) Examine state regulation of providers of death services; and
- (2) Make recommendations to ensure that the public is adequately protected.

The Department of Health, Hawaii Funeral Directors Association, and several concerned individuals testified in support of this concurrent resolution. The Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee finds that grieving families who have recently lost a loved one may be easy targets for overzealous or unscrupulous providers of death services. Recent events in Hawaii and on the mainland highlight the need for an in-depth examination of the State's current regulatory scheme.

Your Committee further finds that the term "provider of death services" may have a negative connotation and that the term "death care providers" is preferred by industry representatives.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to read, "REQUESTING ESTABLISHMENT OF A TASK FORCE TO EXAMINE STATE REGULATION OF DEATH CARE PROVIDERS";
- (2) Replacing references to "providers of death services" with "death care providers"; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 53, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Yoshinaga, Gomes and Meyer.

**SCRep. 1058      Consumer Protection & Commerce on H.C.R. No. 29**

The purpose of this concurrent resolution is to convene a task force to examine the effectiveness of the Prepaid Healthcare Act (PHCA).

The Hawaii Business League and The Chamber of Commerce of Hawaii testified in support of this measure. The Department of Labor and Industrial Relations, the Hawaii Nurses' Association, and the Hawaii Uninsured Project supported the intent of this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee finds that when PHCA was enacted in 1974, Hawaii became the only state in the nation to require that workers be offered comprehensive private sector-based medical coverage for off-the-job injuries and illnesses. PHCA closed a gap in medical coverage for injuries and illnesses that were not covered under workers' compensation or temporary disability insurance laws.

Three months after enactment of PHCA, Congress enacted the Employee Retirement Income Security Act of 1974 (ERISA) which raised the issue of whether this federal law preempted PHCA. The issue was litigated in Standard Oil v. Aghsalud and the federal courts eventually ruled that ERISA preempted PHCA. As a result, Hawaii sought and successfully obtained an exemption from

ERISA preemption. The exemption, however, expressly prohibited any amendment of PHCA except amendments providing for the effective administration of the Act. The prohibition, in effect, froze PHCA in the form in which it was passed in 1974.

Your Committee recognizes that changes in the economy have made it difficult for some employers and small businesses to keep up with the rising cost of health insurance premiums. Your Committee further recognizes that the frozen status of PHCA may prevent it from evolving with the times.

Your Committee finds, however, that the complexity of our State health care system and potential consequences that may ensue if PHCA is amended, merit an in-depth examination and review of State health insurance coverage issues.

Your Committee has amended this measure by:

- (1) Requesting the Governor, rather than the Insurance Commissioner, to convene a task force to examine the effectiveness of PHCA; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 29, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 29, H.D. 2.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes and Meyer.

**SCRep. 1059      Labor & Public Employment and Judiciary & Hawaiian Affairs and Consumer Protection & Commerce  
on S.B. No. 2180**

The purpose of this bill is to prohibit the use of, or the requirement for, genetic testing by employers and insurers for health care, life insurance, and long-term care insurance.

The Department of Health, Hawaii State AFL-CIO, and ILWU Local 142 testified in support of this measure. A concerned citizen testified in support of the intent of the bill. The American Council of Life Insurance, Hawaii Civil Rights Commission, Department of Commerce and Consumer Affairs, and Christian Science Committee on Publication for Hawaii commented on this measure.

This measure would protect employees and potential insureds from discriminatory practices based solely on an employee or insured's refusal to submit to a genetic test or on their genetic information. Your Committees feel that this is a necessary protection for employees and insureds since genetic testing provides limited information about the risk of disease as there are many factors that contribute to, and determine whether, an illness will actually occur.

Moreover, your Committees believe that if an employer or insurer takes an adverse action against a current employee or insurance client, or an applicant for employment or insurance based upon genetic information, the employer or insurer is committing disability discrimination because the employer or insurer equates having the genetic predisposition for a disease to having the actual disease itself.

However, your Committees feel that further clarification of the definition of "being regarded as having such an impairment" is needed and have amended this measure by amending this definition:

- (1) To include the situation where the individual's refusal to submit to a genetic test is a condition of initial or continued employment; and
- (2) Removing reference to the situation where the employer initiated a genetic test without the knowledge of the individual.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Judiciary and Hawaiian Affairs and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2180, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2180, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Souki, Yoshinaga, Case, Kanoho, Meyer and Whalen.

**SCRep. 1060      Energy & Environment Protection on S.B. No. 2005**

The purpose of this bill is to increase the State's recycling rate by authorizing the County of Hawaii to establish a three-year demonstration beverage container deposit system.

The Department of Health and the County of Hawaii supported the intent of this bill. The Coca-Cola Bottling Company of Hawaii, Anheuser Busch Companies, Grocery Manufacturers of America, and the Hawaii Food Industry Association opposed this measure.

Your Committee notes that S.B. No. 2266, H.D. 1, which was reported out of your Committee earlier this session, relates to a comprehensive statewide recycling program. Your Committee believes that the "county specific" concerns of the beverage container industry, including labeling beverage containers specifically for the County of Hawaii demonstration program, will be moot upon the enactment of a statewide recycling program such as the one in S.B. No. 2266.

Your Committee has amended this measure by:

- (1) Allowing the counties, with the authorization of the Legislature, to impose or collect assessments or fees on glass containers for the same or similar purposes as the advance glass deposit fee;
- (2) Changing the effective date to July 1, 2002; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2005, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2005, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito and Meyer.

**SCRep. 1061      Water & Land Use and Economic Development & Business Concerns on S.B. No. 2613**

The purpose of this bill is to prohibit the feeding of sharks as part of a commercial activity.

The Board of Land and Natural Resources, Office of Hawaiian Affairs, Oahu Council of Hawaiian Civic Clubs, Ilio'ulaokalani Youth Coalition and three individuals submitted supporting testimony. The operator of a Haleiwa shark-feeding commercial enterprise testified in opposition.

Acting on the advice of the state Attorney General's Office, the Chairperson of the Board of Land and Natural Resources subsequently submitted written recommendations that have been incorporated into the bill as follows:

- (1) Deleting provisions making it unlawful to advertise or solicit the feeding of sharks as part of a commercial activity in state, marine waters, which thereby avoids the freedom of speech issue; and
- (2) Deleting the provision regarding shark-feeding from any vessel that holds a permit pursuant to section 200-10, Hawaii Revised Statutes, when outside the state marine waters.

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

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2613, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2613, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Schatz, Meyer, Davis, Leong, Marumoto and Ontai.

**SCRep. 1062      Consumer Protection & Commerce on S.B. No. 2289**

The purpose of this bill is to update and increase the flexibility of the condominium property regimes law by allowing the Board of Directors (Board) of an association of apartment owners (AOAO) to install or authorize the installation of television signal distribution and telecommunications equipment on project common areas.

Verizon Hawaii testified in support of this measure and suggested an amendment.

Your Committee finds that S.B. No. 2289, S.D. 1, H.D. 1, authorizes the Board of a condominium association to:

- (1) Install television signal distribution and telecommunications equipment upon the common elements of a project;
- (2) Abandon or change the use of any television signal distribution and telecommunications equipment if the equipment is technologically obsolete; or
- (3) Provide an equivalent function by different means or methods.

Your Committee recognizes concerns raised by Verizon Hawaii that current language contained in the bill may be construed to grant super authority to a condominium Board to install, abandon, or change television signal distribution and telecommunications equipment without regard to existing contractual terms or obligations that may apply to the equipment. For example, telecommunications equipment such as a private branch exchange (PBX) or existing cabling in a building may have been installed under an agreement or contract which specified a minimum term of service. Under such circumstances, a condominium Board desiring to abandon or change such equipment should remain subject to existing contractual agreements.

Therefore, your Committee has amended this measure by amending Section 2 to read:

"This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date. This Act does not affect the rights and duties arising from contracts."

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2289, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2289, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki, Yoshinaga and Meyer.

**SCRep. 1063      Judiciary & Hawaiian Affairs on H.R. No. 44**

The purpose of this measure is to direct the Auditor, in accordance with section 26H-6, Hawaii Revised Statutes, to analyze the probable effects of regulating athlete agents, and to assess whether enactment of the Uniform Athletes Agent Act would be consistent with state policy.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Commission on Uniform State Laws, and the Director of Intercollegiate Athletics at the University of Hawaii at Manoa.

Legislation introduced as H.B. No. 1824 of the 2002 Regular Session proposed enactment of the Uniform Athlete Agents Act. Your Committee finds this resolution necessary because the Hawaii Regulatory Licensing Reform Act, chapter 26H, Hawaii Revised Statutes, requires such new regulatory measures to be referred to the Auditor for analysis.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 44 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes, and Whalen.

**SCRep. 1064      Judiciary & Hawaiian Affairs on H.C.R. No. 75**

The purpose of this measure is to direct the Auditor, in accordance with section 26H-6, Hawaii Revised Statutes, to analyze the probable effects of regulating athlete agents, and to assess whether enactment of the Uniform Athletes Agent Act would be consistent with state policy.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Commission on Uniform State Laws, and the Director of Intercollegiate Athletics at the University of Hawaii at Manoa.

Legislation introduced as H.B. No. 1824 of the 2002 Regular Session proposed enactment of the Uniform Athlete Agents Act. Your Committee finds this resolution necessary because the Hawaii Regulatory Licensing Reform Act, chapter 26H, Hawaii Revised Statutes, requires such new regulatory measures to be referred to the Auditor for analysis.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes, and Whalen.

**SCRep. 1065      Judiciary & Hawaiian Affairs on H.R. No. 92**

The purpose of this resolution is to request the Legislative Reference Bureau to study practices in various jurisdictions with a view to finding an effective and economical means to compensate guardians ad litem and attorneys appointed under chapter 587, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Judiciary and the Hawaii State Bar Association.

Your Committee finds that fees expended to compensate guardians ad litem and counsel consistently exceed budgeted amounts. An analysis of compensation options could help the courts address existing problems, and ultimately will enhance delivery of legal services to needy individuals.

Your Committee has amended this measure by adding several references to "counsel" to make it clear that the review will cover attorney and guardian ad litem compensation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 92, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 92, H.D. 1.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes, and Whalen.

**SCRep. 1066      Judiciary & Hawaiian Affairs on H.C.R. No. 134**

The purpose of this resolution is to request the Legislative Reference Bureau to study practices in various jurisdictions with a view to finding an effective and economical means to compensate guardians ad litem and attorneys appointed under chapter 587, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Judiciary and the Hawaii State Bar Association.

Your Committee finds that fees expended to compensate guardians ad litem and counsel consistently exceed budgeted amounts. An analysis of compensation options could help the courts address existing problems, and ultimately will enhance delivery of legal services to needy individuals.

Your Committee has amended this measure by adding several references to "counsel" to make it clear that the review will cover attorney and guardian ad litem compensation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 134, H.D. 1.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes, and Whalen.

**SCRep. 1067      Human Services and Housing on H.R. No. 23**

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to develop legislation for the regulation of manufactured housing based on federal standards.

DCCA and Quality Homes of the Pacific, LLC, testified in support of this measure with amendments.

Your Committee finds that manufactured housing is a relatively new industry in Hawaii and there is concern about the associated integrity and workmanship. Your Committee further finds that it may be advantageous for the State to create a State Administrative Agency to regulate manufactured housing on the state level, rather than federal.

Accordingly, your Committee has amended this resolution by:

- (1) Changing the title to read: "REQUESTING THE AUDITOR TO STUDY MANUFACTURED HOUSING IN HAWAII AND TO DETERMINE WHETHER THE STATE OF HAWAII SHOULD BECOME THE STATE ADMINISTRATIVE AGENCY AND THE IN PLANT INSPECTION AGENT";
- (2) Requesting the Auditor to conduct the study instead of DCCA;
- (3) Requesting the study to include an investigation on whether the State should become the State Administrative Agency and the In Plan Inspection Agency instead of the United States Department of Housing and Urban Development; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 23, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.R. No. 23, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1068      Human Services and Housing on H.C.R. No. 41**

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to develop legislation for the regulation of manufactured housing based on federal standards.

DCCA and Quality Homes of the Pacific, LLC, testified in support of this measure with amendments.

Your Committee finds that manufactured housing is a relatively new industry in Hawaii and there is concern about the associated integrity and workmanship. Your Committee further finds that it may be advantageous for the State to create a State Administrative Agency to regulate manufactured housing on the state level, rather than federal.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: "REQUESTING THE AUDITOR TO STUDY MANUFACTURED HOUSING IN HAWAII AND TO DETERMINE WHETHER THE STATE OF HAWAII SHOULD BECOME THE STATE ADMINISTRATIVE AGENCY AND THE IN PLANT INSPECTION AGENT";
- (2) Requesting the Auditor to conduct the study instead of DCCA;
- (3) Requesting the study to include an investigation on whether the State should become the State Administrative Agency and the In Plan Inspection Agency instead of the United States Department of Housing and Urban Development; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

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

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1069 Human Services and Housing on H.R. No. 31**

The purpose of this resolution is to request the Department of Human Services (DHS) to draft necessary legislation to enable the State Committee of Blind Vendors to expend funds from the Randolph-Sheppard revolving account to hire lawyers or other consultants for the purpose of benefiting blind vendors of Hawaii.

DHS testified in opposition of this measure.

Your Committee finds that further discussion is needed on this measure and respectfully requests that the next committee also explore the legal issues related to this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 31 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1070 Human Services and Housing on H.C.R. No. 54**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to draft necessary legislation to enable the State Committee of Blind Vendors to expend funds from the Randolph-Sheppard revolving account to hire lawyers or other consultants for the purpose of benefiting blind vendors of Hawaii.

DHS testified in opposition of this measure.

Your Committee finds that further discussion is needed on this measure and respectfully requests that the next committee also explore the legal issues related to this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1071 Human Services and Housing on H.R. No. 51**

The purpose of this resolution is to request the Department of Human Services (DHS) to convene a temporary advisory task force (Task Force) to study the legal ramifications of integrating the practice of hanai relationships into statutory law.

The Office of Hawaiian Affairs, Volunteer Legal Services Hawaii (VLSH), and a concerned individual testified in support of this measure. DHS supported the intent of this measure.

Your Committee finds that confusion exists between the rights of those who are legally adopted and those who are hanai. Although DHS supported the intent of this measure, it objects to the Task Force being placed within DHS. VLSH agreed to convene the Task Force and offered other amendments.

Accordingly, your Committee has amended this resolution by:

- (1) Requesting VLSH to convene the Task Force instead of DHS;
- (2) Specifying that the Task Force review applicable case law, statutory law, and customary and traditional practices related to the hanai relationship;
- (3) Including as members of the Task Force, representatives of the nonprofit community, foster care and adoption community, and the three branches of government;
- (4) Including the Director of Human Services, the Attorney General, and the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs, or their designees, to serve as ex-officio members; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

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

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1072 Human Services and Housing on H.C.R. No. 81**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to convene a temporary advisory task force (Task Force) to study the legal ramifications of integrating the practice of hanai relationships into statutory law.

The Office of Hawaiian Affairs, Volunteer Legal Services Hawaii (VLSH), and a concerned individual testified in support of this measure. DHS supported the intent of this measure.

Your Committee finds that confusion exists between the rights of those who are legally adopted and those who are hanai. Although DHS supported the intent of this measure, it objects to the Task Force being placed within DHS. VLSH agreed to convene the Task Force and offered other amendments.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Requesting VLSH to convene the Task Force instead of DHS;
- (2) Specifying that the Task Force review applicable case law, statutory law, and customary and traditional practices related to the hanai relationship;
- (3) Including as members of the Task Force, representatives of the nonprofit community, foster care and adoption community, and the three branches of government;
- (4) Including the Director of Human Services, the Attorney General, and the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs, or their designees, to serve as ex-officio members; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.C.R. No. 81, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1073            Human Services and Housing on H.R. No. 81**

The purpose of this resolution is to reaffirm the Legislature's support of the Housing and Community Development Corporation of Hawaii's (HCDCH) 2002 HOPE VI revitalization grant application for Kuhio Park Terrace (KPT), and to urge the United States Housing and Urban Development to act favorably on the application.

HCDCH testified in strong support of this measure.

Your Committee finds that KPT is one of the State's most troubled public housing projects. HCDCH worked with KPT residents and the community to prepare a master plan that will transform KPT into a vibrant, supportive, and sustainable community. The HOPE VI grant will help the master plan become a reality.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 81 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine.

**SCRep. 1074            Human Services and Housing on H.C.R. No. 118**

The purpose of this concurrent resolution is to reaffirm the Legislature's support of the Housing and Community Development Corporation of Hawaii's (HCDCH) 2002 HOPE VI revitalization grant application for Kuhio Park Terrace (KPT), and to urge the United States Housing and Urban Development to act favorably on the application.

HCDCH testified in strong support of this measure.

Your Committee finds that KPT is one of the State's most troubled public housing projects. HCDCH worked with KPT residents and the community to prepare a master plan that will transform KPT into a vibrant, supportive, and sustainable community. The HOPE VI grant will help the master plan become a reality.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 118 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine.

**SCRep. 1075            Human Services and Housing on H.R. No. 73**

The purpose of this resolution is to request the Governor to convene a task force to address the continual need for transitional housing and social welfare facilities on Oahu.

Hawaii Youth Services Network, Blueprint for Change, Hawaii Psychiatric Medical Association, and several concerned citizens testified in support of this measure. The Housing and Community Development Corporation of Hawaii opposed this measure. A concerned citizen offered comments.

One testifier mentioned that a task force was recently convened that addresses many of the issues in this measure.

Your Committee finds that homelessness continues to be a problem statewide. This measure, as received, specifically identifies Downtown Honolulu as a problem area.

Accordingly, your Committee has amended this resolution by:

- (1) Changing the title to read: "URGING EXISTING TASK FORCES TO CONTINUE TO ADDRESS THE CONTINUAL NEED AND UNMET DEMAND FOR TRANSITIONAL HOUSING AND SOCIAL WELFARE FACILITIES ON OAHU AND TO INVITE OTHER INTERESTED ORGANIZATIONS AND INDIVIDUALS TO PARTICIPATE";
- (2) Deleting the provisions for the establishment of a new task force;
- (3) Requesting existing task forces that are addressing the needs and demands for transitional housing and social welfare facilities to invite interested parties, including community and neighborhood boards, to join in the task force; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 73, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 73, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1076      Human Services and Housing on H.C.R. No. 110**

The purpose of this concurrent resolution is to request the Governor to convene a task force to address the continual need for transitional housing and social welfare facilities on Oahu.

Hawaii Youth Services Network, Blueprint for Change, Hawaii Psychiatric Medical Association, and several concerned citizens testified in support of this measure. The Housing and Community Development Corporation of Hawaii opposed this measure. A concerned citizen offered comments.

One testifier mentioned that a task force was recently convened that addresses many of the issues in this measure.

Your Committee finds that homelessness continues to be a problem statewide. This measure, as received, specifically identifies Downtown Honolulu as a problem area.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: "URGING EXISTING TASK FORCES TO CONTINUE TO ADDRESS THE CONTINUAL NEED AND UNMET DEMAND FOR TRANSITIONAL HOUSING AND SOCIAL WELFARE FACILITIES ON OAHU AND TO INVITE OTHER INTERESTED ORGANIZATIONS AND INDIVIDUALS TO PARTICIPATE";
- (2) Deleting the provisions for the establishment of a new task force;
- (3) Requesting existing task forces that are addressing the needs and demands for transitional housing and social welfare facilities to invite interested parties, including community and neighborhood boards, to join in the task force; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 110, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 110, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1077      Human Services and Housing on H.R. No. 82**

The purpose of this resolution is to request the Department of Human Services (DHS) to conduct a study to:

- (1) Determine what type of assistance, if any, is needed by local nonprofit agencies; and
- (2) Suggest the means for providing assistance.

DHS testified in support of the intent of this measure.



Your Committee finds that the Governor convened the Hawaii Together Task Force (Task Force) to address the economic issues related to the aftermath of the September 11<sup>th</sup> terrorist attacks and the resulting economic downturn. DHS suggested that the Task Force is better suited to conduct the study requested in this measure.

Accordingly, your Committee has amended this resolution by:

- (1) Changing the title to read: "REQUESTING THE HAWAII TOGETHER TASK FORCE TO CONDUCT A STUDY TO DETERMINE IF PRIVATE NONPROFIT AGENCIES REQUIRE ASSISTANCE IN THE AFTERMATH OF THE SEPTEMBER 11<sup>TH</sup> TERRORIST ATTACKS";
- (2) Requesting the Task Force to conduct the study instead of DHS;
- (3) Requesting the Department of Health and Department of Labor and Industrial Relations to participate in the study; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 82, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 82, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1078          Human Services and Housing on H.C.R. No. 119**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to conduct a study to:

- (1) Determine what type of assistance, if any, is needed by local nonprofit agencies; and
- (2) Suggest the means for providing assistance.

DHS testified in support of the intent of this measure.

Your Committee finds that the Governor convened the Hawaii Together Task Force (Task Force) to address the economic issues related to the aftermath of the September 11<sup>th</sup> terrorist attacks and the resulting economic downturn. DHS suggested that the Task Force is better suited to conduct the study requested in this measure.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: "REQUESTING THE HAWAII TOGETHER TASK FORCE TO CONDUCT A STUDY TO DETERMINE IF PRIVATE NONPROFIT AGENCIES REQUIRE ASSISTANCE IN THE AFTERMATH OF THE SEPTEMBER 11<sup>TH</sup> TERRORIST ATTACKS";
- (2) Requesting the Task Force to conduct the study instead of DHS;
- (3) Requesting the Department of Health and Department of Labor and Industrial Relations to participate in the study; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1079          Human Services and Housing on H.R. No. 83**

The purpose of this resolution is to request the Department of Human Services (DHS) to continue its efforts to prevent child abuse by:

- (1) Encouraging the active participation of individuals who are active in the systemic reform of Hawaii's Child Welfare System (CWS) as appointed members of the Child Protective Review Panel (Panel) or as consultants to the Panel; and
- (2) Convening a Panel to review active child welfare cases when a child is missing and cannot be located; and
- (3) Amending the definition of "serious abuse" to include children who are missing.

DHS supported the intent of this measure. Volunteer Legal Services Hawaii (VLSH) supported this measure with amendments.

Your Committee finds that child abuse is a serious problem that requires broad-based community action. VLSH's testimony states that there is a need to expand the public's oversight of Child Protective Services and that public disclosure of information is necessary.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO PROMOTE PUBLIC OVERSIGHT OF THE CHILD PROTECTIVE SERVICES IN CASES OF RECURRING CHILD MALTREATMENT OR CASES WITH SUSPICIOUS CIRCUMSTANCES";
- (2) Expanding the discussion on the Panel and whether it has resulted in any significant impact on reducing the recurrence of child abuse;
- (3) Urging DHS to promote public oversight of Child Protective Services in cases of recurrent child maltreatment or cases with suspicious circumstances, including when an abused child is missing;
- (4) Requesting DHS to appoint to the Panel, when feasible, at least one individual who is active in the systemic reform of the CWS;
- (5) Requesting DHS to convene a Panel for all child welfare cases in which a child is missing and cannot be located;
- (6) Requesting DHS to submit a report to the Legislature;
- (7) Requesting DHS to keep the names of minors and information confidential; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 83, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 83, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1080      Human Services and Housing on H.C.R. No. 120**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to continue its efforts to prevent child abuse by:

- (1) Encouraging the active participation of individuals who are active in the systemic reform of Hawaii's Child Welfare System (CWS) as appointed members of the Child Protective Review Panel (Panel) or as consultants to the Panel; and
- (2) Convening a Panel to review active child welfare cases when a child is missing and cannot be located; and
- (3) Amending the definition of "serious abuse" to include children who are missing.

DHS supported the intent of this measure. Volunteer Legal Services Hawaii (VLSH) supported this measure with amendments.

Your Committee finds that child abuse is a serious problem that requires broad-based community action. VLSH's testimony states that there is a need to expand the public's oversight of Child Protective Services and that public disclosure of information is necessary.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO PROMOTE PUBLIC OVERSIGHT OF THE CHILD PROTECTIVE SERVICES IN CASES OF RECURRING CHILD MALTREATMENT OR CASES WITH SUSPICIOUS CIRCUMSTANCES;"
- (2) Expanding the discussion on the Panel and whether it has resulted in any significant impact on reducing the recurrence of child abuse;
- (3) Urging DHS to promote public oversight of Child Protective Services in cases of recurrent child maltreatment or cases with suspicious circumstances, including when an abused child is missing;
- (4) Requesting DHS to appoint to the Panel, when feasible, at least one individual who is active in the systemic reform of the CWS;
- (5) Requesting DHS to convene a Panel for all child welfare cases in which a child is missing and cannot be located;
- (6) Requesting DHS to submit a report to the Legislature;
- (7) Requesting DHS to keep the names of minors and information confidential; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 120, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1081      Human Services and Housing on H.R. No. 118**

The purpose of this resolution is to request the Director of Human Services to identify and describe existing protections for the rights of parents and families in all Child Welfare Services (CWS) activities and proceedings in a report to the Legislature.

The Department of Human Services (DHS) and Volunteer Legal Services Hawaii submitted comments on this measure.

DHS stated that it would willingly provide the Legislature an organized listing of state and federal statutes that identify the existing protections for the rights of parents and families in all CWS activities.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 118 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1082      Human Services and Housing on H.C.R. No. 161**

The purpose of this concurrent resolution is to request the Director of Human Services to identify and describe existing protections for the rights of parents and families in all Child Welfare Services (CWS) activities and proceedings in a report to the Legislature.

The Department of Human Services (DHS) and Volunteer Legal Services Hawaii submitted comments on this measure.

DHS stated that it would willingly provide the Legislature an organized listing of state and federal statutes that identify the existing protections for the rights of parents and families in all CWS activities.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1083      Human Services and Housing on H.R. No. 132**

The purpose of this resolution is to bring closure and resolution to the "Peter Boy" Kema case by requesting the Department of Human Services (DHS), with the assistance of Na Keiki Law Center and the Hawaii County Police Department, to submit a report to the Legislature of any findings pertaining to the case.

A concerned citizen submitted testimony in support of this measure. Volunteer Legal Services Hawaii (VLSH) submitted comments and a proposed amendment.

Your Committee finds that there has been little progress in the investigation of the "Peter Boy" Kema missing person's case. VLSH has made unsuccessful attempts to obtain information pertaining to the case.

Accordingly, your Committee has amended this resolution by:

- (1) Changing the title to read: "REQUESTING VOLUNTEER LEGAL SERVICES HAWAII TO CONDUCT A STUDY ON SECTION 587-81, HAWAII REVISED STATUTES;"
- (2) Detailing VLSH's efforts to bring resolution to the "Peter Boy" case by proposing legislation and attempting to obtain more information about the case and related legal issues;
- (3) Requesting VLSH, in conjunction with the University of Hawaii William S. Richardson School of Law, to examine section 587-81, Hawaii Revised Statutes, for the purpose of drafting proposed legislation that would allow the release of information to third parties;
- (4) Requesting VLSH to submit proposed legislation to the Legislature; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 132, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.R. No. 132, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1084      Human Services and Housing on H.C.R. No. 185**

The purpose of this concurrent resolution is to bring closure and resolution to the "Peter Boy" Kema case by requesting the Department of Human Services (DHS), with the assistance of Na Keiki Law Center and the Hawaii County Police Department, to submit a report to the Legislature of any findings pertaining to the case.

A concerned citizen submitted testimony in support of this measure. Volunteer Legal Services Hawaii (VLSH) submitted comments and a proposed amendment.

Your Committee finds that there has been little progress in the investigation of the "Peter Boy" Kema missing person's case. VLSH has made unsuccessful attempts to obtain information pertaining to the case.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: "REQUESTING VOLUNTEER LEGAL SERVICES HAWAII TO CONDUCT A STUDY ON SECTION 587-81, HAWAII REVISED STATUTES;"
- (2) Detailing VLSH's efforts to bring resolution to the "Peter Boy" case by proposing legislation and attempting to obtain more information about the case and related legal issues;
- (3) Requesting VLSH, in conjunction with the University of Hawaii William S. Richardson School of Law, to examine section 587-81, Hawaii Revised Statutes, for the purpose of drafting proposed legislation that would allow the release of information to third parties;
- (4) Requesting VLSH to submit proposed legislation to the Legislature; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 185, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.C.R. No. 185, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1085      Economic Development & Business Concerns on H.R. No. 80**

The purpose of this resolution, as received, is to request the City and County of Honolulu to construct a multi-purpose center in Nuuanu Valley to serve the recreational, educational, and social needs of the residents of Nuuanu Valley.

The Hawaii Governmental Employees Association requested amendments to this measure.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with provisions that:
  - (A) Requests the Legislative Reference Bureau (LRB) to study the movement of capital out of the State; and
  - (B) Requests LRB to report its findings and recommendations to the Legislature prior to the Regular Session of 2003;and
- (2) Changing the title of this measure to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE MOVEMENT OF CAPITAL OUT OF THE STATE."

Your Committee notes that the flow of capital out of the State hinders Hawaii's efforts to recover from the current economic slowdown. Your Committee also recognizes that other organizations such as the University of Hawaii retain considerable expertise in the area of business and economic analysis and have indicated a willingness to provide assistance and input for this study.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 80, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 80, H.D. 1.

Signed by all members of the Committee except Representatives Case, Chang, Takumi, Marumoto and Ontai.

**SCRep. 1086      Economic Development & Business Concerns on H.C.R. No. 117**

The purpose of this concurrent resolution, as received, is to request the City and County of Honolulu to construct a multi-purpose center in Nuuanu Valley to serve the recreational, educational, and social needs of the residents of Nuuanu Valley.

The Hawaii Governmental Employees Association requested amendments to this measure.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with provisions that:
  - A) Requests the Legislative Reference Bureau (LRB) to study the movement of capital out of the State; and
  - B) Requests LRB to report its findings and recommendations to the Legislature prior to the Regular Session of 2003;

and

- (2) Changing the title of this measure to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE MOVEMENT OF CAPITAL OUT OF THE STATE."

Your Committee notes that the flow of capital out of the State hinders Hawaii's efforts to recover from the current economic slowdown. Your Committee also recognizes that other organizations such as the University of Hawaii retain considerable expertise in the area of business and economic analysis and have indicated a willingness to provide assistance and input for this study.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 117, H.D. 1.

Signed by all members of the Committee except Representatives Case, Chang, Takumi, Marumoto, and Ontai.

**SCRep. 1087                      Transportation on H.R. No. 86**

The purpose of this resolution is to request United Airlines to resume its nonstop service between Chicago and Honolulu to improve air travel for both visitors and Hawaii residents.

Several United Airlines pilots, the Airline Association of Flight Attendants, and several concerned citizens testified in support of this measure.

Non-stop flights between Honolulu and Chicago, such as those offered by United Airlines until February 2001, make travel to and from the mainland, especially to the east coast and midwest, convenient for visitors and residents. Hawaii's economy is also affected by lack of this direct service as passengers must spend more travelling time to get to and from Hawaii and less time actually vacationing or conducting business in the islands.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 86 and recommends that it be referred to the Committee on Tourism and Culture.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1088                      Transportation on H.C.R. No. 125**

The purpose of this concurrent resolution is to request United Airlines to resume its nonstop service between Chicago and Honolulu to improve air travel for both visitors and Hawaii residents.

Several United Airlines pilots, the Airline Association of Flight Attendants and several concerned citizens testified in support of this measure.

Non-stop flights between Honolulu and Chicago, such as those offered by United Airlines until February 2001, make travel to and from the mainland, especially to the east coast and midwest, convenient for visitors and residents. Hawaii's economy is also affected by lack of this direct service as passengers must spend more travelling time to get to and from Hawaii and less time actually vacationing or conducting business in the islands.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 125 and recommends that it be referred to the Committee on Tourism and Culture.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1089                      Transportation on H.R. No. 123**

The purpose of this resolution is to express opposition of to the closure of the United Airlines pilot domicile in Honolulu.

Several United Airlines pilots and a private citizen testified in support of this measure.

As a part of its attempts to cut costs, United Airlines is considering closing its Honolulu Pilot Domicile. Although the domicile may be costing United Airlines \$1,500,000 a year that could be saved by moving pilots to other cities, this figure can be deceiving. Recent research by United Airlines pilots reveals that having crews readily available in Honolulu, to continue operations interrupted by irregular events, has actually saved the airline millions of dollars.

Keeping the domicile open also assists the local economy as these pilots' jobs represent about \$8,000,000 in annual salary with much of it being spent in the islands.

Your Committee understands that United Airlines is also considering the closure of its domicile for flight attendants.

Accordingly, your Committee has amended this measure by:

- (1) Including opposition to the closure of the flight attendants domicile;

- (2) Changing its title to read: "OPPOSING THE CLOSURE OF THE UNITED AIRLINES PILOT DOMICILE AND FLIGHT ATTENDANT DOMICILE IN HONOLULU, HAWAII"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

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

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1090            Transportation on H.C.R. No. 172**

The purpose of this concurrent resolution is to express opposition to the closure of the United Airlines pilot domicile in Honolulu.

Several United Airlines pilots and a private citizen testified in support of this measure.

As a part of its attempts to cut costs, United Airlines is considering closing its Honolulu Pilot Domicile. Although the domicile may be costing United Airlines \$1,500,000 a year that could be saved by moving pilots to other cities, this figure can be deceiving. Recent research by United Airlines pilots reveals that having crews readily available in Honolulu, to continue operations interrupted by irregular events, has actually saved the airline millions of dollars.

Keeping the domicile open also assists the local economy as these pilots' jobs represent about \$8,000,000 in annual salary, with much of it being spent in the islands.

Your Committee understands that United Airlines is also considering the closure of its domicile for flight attendants.

Accordingly, your Committee has amended this measure by:

- (1) Including opposition to the closure of the flight attendants domicile;
- (2) Changing its title to read: "OPPOSING THE CLOSURE OF THE UNITED AIRLINES PILOT DOMICILE AND FLIGHT ATTENDANT DOMICILE IN HONOLULU, HAWAII"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 172, as amended herein, and recommends that it be referred to the Committee on Tourism and Culture in the form attached hereto as H.C.R. No. 172, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1091            Transportation on H.R. No. 61**

The purpose of this resolution is to request the Department of Transportation (DOT) to conduct a study to determine the feasibility of using existing railroad tracks and rights-of-ways to revitalize the use of rail travel as a means of transporting both residents and visitors.

The Friends of Pearl Harbor Historic Trail and several concerned citizens testified in support of this measure. DOT testified in opposition to this measure.

One of the major concerns of the general public is traffic congestion. With an increasing population and the construction of new homes statewide, the situation is sure worsen.

Many suggestions to help alleviate this problem have been made, including the use of ferry systems, staggered work and school hours, the use of light rail systems, and moratoriums on homebuilding and automobile ownership. Your Committee understands that old railway corridors currently run through many communities throughout the State and may be a resource for alternative modes of transportation, including a revitalized railway system, to help alleviate traffic congestion throughout the State.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1092            Transportation on H.C.R. No. 95**

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to conduct a study to determine the feasibility of using existing railroad tracks and rights-of-ways to revitalize the use of rail travel as a means of transporting both residents and visitors.

The Friends of Pearl Harbor Historic Trail and several concerned citizens testified in support of this measure. DOT testified in opposition to this measure.

One of the major concerns of the general public is traffic congestion. With an increasing population and the construction of new homes statewide, the situation is sure to worsen.

Many suggestions to help alleviate this problem have been made, including the use of ferry systems, staggered work and school hours, the use of light rail systems, and moratoriums on homebuilding and automobile ownership. Your Committee understands that old railway corridors currently run through many communities throughout the State and may be a resource for alternative modes of transportation, including a revitalized railway system, to help alleviate traffic congestion throughout the State.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 95 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1093            Transportation on H.R. No. 96**

The purpose of this resolution is to request the Department of Transportation (DOT), in consultation with the police departments of the various counties, to examine the feasibility of establishing a state highway patrol for the purpose of enforcing statewide traffic safety.

DOT testified in support of this measure. The Honolulu Police Department testified in opposition to this measure.

Your Committee feels that the formation of a state highway patrol may be another method of promoting highway safety. Implementing a state highway patrol would allow police personnel throughout the counties to perform other essential duties. This would be especially advantageous to counties experiencing chronic personnel shortages.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 96 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1094            Transportation on H.C.R. No. 139**

The purpose of this concurrent resolution is to request the Department of Transportation (DOT), in consultation with the police departments of the various counties, to examine the feasibility of establishing a state highway patrol for the purpose of enforcing statewide traffic safety.

DOT testified in support of this measure. The Honolulu Police Department testified in opposition to this measure.

Your Committee feels that the formation of a state highway patrol may be another method of promoting highway safety. Implementing a state highway patrol would allow police personnel throughout the counties to perform other essential duties. This would be especially advantageous to counties experiencing chronic personnel shortages.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1095            Transportation on H.R. No. 136**

The purpose of this resolution is to request the Department of Transportation (DOT) to convene a task force to examine ways to control the use of motorized scooters and other motorized devices on sidewalks, highways, and public areas.

The Honolulu Police Department (HPD) and several concerned citizens testified in support of this measure. DOT supported the intent of this measure.

A concerned citizen commented on this measure.

Recent increases in the use of gas-powered scooters, motorized razors, and other motorized devices, especially by younger riders, have prompted numerous complaints to neighborhood boards and HPD. As a result of indiscriminate use of motorized vehicles, a danger appears to exist among pedestrians, bicyclists, and the elderly who use the sidewalks where motorized devices are often operated. Currently, Hawaii law does not regulate the use of such devices which often leaves HPD powerless to address safety concerns.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 136 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Moses and Rath voted no.)

**SCRep. 1096      Transportation on H.C.R. No. 193**

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to convene a task force to examine ways to control the use of motorized scooters and other motorized devices on sidewalks, highways, and public areas.

The Honolulu Police Department (HPD) and several concerned citizens testified in support of this measure. DOT supported the intent of this measure.

A concerned citizen commented on this measure.

Recent increases in the use of gas-powered scooters, motorized razors, and other motorized devices, especially by younger riders, have prompted numerous complaints to neighborhood boards and HPD. As a result of indiscriminate use of motorized vehicles, a danger appears to exist among pedestrians, bicyclists, and the elderly who use the sidewalks where motorized devices are often operated. Currently, Hawaii law does not regulate the use of such devices which often leaves HPD powerless to address safety concerns.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 193 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Moses and Rath voted no.)

**SCRep. 1097      Transportation on H.R. No. 27**

The purpose of this resolution is to urge the Department of Transportation (DOT) to establish an intergovernmental-community task force to plan for the development of an alternative access road to Kailua High School on Oahu.

The Department of Education, Kailua Neighborhood Board No. 31, Waimanalo Neighborhood Board No. 32, the Ko'olau News, and numerous concerned citizens testified in support of this measure. DOT supported the intent of the measure.

Traffic to and from Kailua High School often congest the little neighborhood streets that surround the school. Excessive noise and many "near misses" of pedestrians walking along the roadways near the school also occur on a daily basis. The problem becomes even more difficult when the school is having large functions on the weekends or in the evenings.

Your Committee understands the need for an alternative access road to Kailua High School and the safety and noise concerns of the surrounding community. Your Committee also understands the concerns raised by DOT that access to schools falls under the jurisdiction of the Department of Accounting and General Services (DAGS).

Accordingly, your Committee has amended this measure by:

- (1) Replacing DOT with DAGS as the agency responsible for establishing the intergovernmental-community task force due to its authority over school access ways;
- (2) Changing its title to read: "URGING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO ESTABLISH AN INTERGOVERNMENTAL-COMMUNITY TASK FORCE TO PLAN FOR THE DEVELOPMENT OF AN ALTERNATIVE ACCESS ROAD TO KAILUA HIGH SCHOOL IN KAILUA, O'AHU"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

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

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1098      Transportation on H.C.R. No. 46**

The purpose of this concurrent resolution is to urge the Department of Transportation (DOT) to establish an intergovernmental-community task force to plan for the development of an alternative access road to Kailua High School on Oahu.

The Department of Education, Kailua Neighborhood Board No. 31, Waimanalo Neighborhood Board No. 32, the Ko'olau News, and numerous concerned citizens testified in support of this measure. DOT supported the intent of the measure.

Traffic to and from Kailua High School often congest the little neighborhood streets that surround the school. Excessive noise and many "near misses" of pedestrians walking along the roadways near the school also occur on a daily basis. The problem becomes even more difficult when the school is having large functions on the weekends or in the evenings.

Your Committee understands the need for an alternative access road to Kailua High School and the safety and noise concerns of the surrounding community. Your Committee also understands the concerns raised by DOT that access to schools falls under the jurisdiction of the Department of Accounting and General Services (DAGS).

Accordingly, your Committee has amended this measure by:



- (1) Replacing DOT with DAGS as the agency responsible for establishing the intergovernmental-community task force due to its authority over school access ways;
- (2) Changing its title to read: "URGING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO ESTABLISH AN INTERGOVERNMENTAL-COMMUNITY TASK FORCE TO PLAN FOR THE DEVELOPMENT OF AN ALTERNATIVE ACCESS ROAD TO KAILUA HIGH SCHOOL IN KAILUA, O'AHU"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 46, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1099            Transportation on H.R. No. 63**

The purpose of this resolution is to request that the Department of Transportation (DOT), in conjunction with the County of Maui, examine the feasibility of constructing bridges across streams where highways are susceptible to flooding on the island of Molokai.

DOT testified in support of the intent of the measure.

Your Committee understands that it will take time to conduct the feasibility study on the construction of bridges across streams that flood the highways on Molokai.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to read: "REQUESTING A FEASIBILITY STUDY OF BUILDING BRIDGES ACROSS STREAMS FOR HIGHWAYS ON THE ISLAND OF MOLOKAI";
- (2) Changing the due date of the report to the Legislature to at least 20 days before the convening of the Regular Session of 2004; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 63, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1100            Transportation on H.C.R. No. 97**

The purpose of this concurrent resolution is to request that the Department of Transportation (DOT), in conjunction with the County of Maui, examine the feasibility of constructing bridges across streams where highways are susceptible to flooding on the island of Molokai.

DOT testified in support of the intent of the measure.

Your Committee understands that it will take time to conduct the feasibility study on the construction of bridges across streams that flood the highways on Molokai.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to read: "REQUESTING A FEASIBILITY STUDY OF BUILDING BRIDGES ACROSS STREAMS FOR HIGHWAYS ON THE ISLAND OF MOLOKAI";
- (2) Changing the due date of the report to the Legislature to at least 20 days before the convening of the Regular Session of 2004; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 97, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1101            Transportation on H.R. No. 79**

The purpose of this resolution is to support traffic and beautification improvements at the intersection of Kuakini Street and Lanakila Avenue.

Several concerned citizens testified in support of this measure.

The heavily used and currently misaligned intersection of Kuakini Street, Lanakila Avenue, and Keola Street in the Liliha-Lanakila neighborhood is clearly a recognized hazard. This roadway is often congested by thousands of vehicles and pedestrians who visit the many facilities and institutions in the area.

Your Committee feels that a proposal to mitigate this hazard by constructing a short extension at Kuakini Street for the purpose of creating a safer, standard four-leg intersection at Kuakini Street and Lanakila Avenue will create a safer environment for both motorists and pedestrians who use this area.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 79, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1102                    Transportation on H.C.R. No. 116**

The purpose of this concurrent resolution is to support traffic and beautification improvements at the intersection of Kuakini Street and Lanakila Avenue.

Several concerned citizens testified in support of this measure.

The heavily used and currently misaligned intersection of Kuakini Street, Lanakila Avenue, and Keola Street in the Liliha-Lanakila neighborhood is clearly a recognized hazard. This roadway is often congested by thousands of vehicles and pedestrians who visit the many facilities and institutions in the area.

Your Committee feels that a proposal to mitigate this hazard by constructing a short extension at Kuakini Street for the purpose of creating a safer, standard four-leg intersection at Kuakini Street and Lanakila Avenue will create a safer environment for both motorists and pedestrians who use this area.

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

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

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1103                    Transportation on H.C.R. No. 151**

The purpose of this concurrent resolution is to request the Department of Transportation (DOT), in cooperation with county governments, to develop a plan for the regular maintenance of roads in limbo.

The Mayor of the County of Hawaii testified in support of this measure. DOT testified in opposition to this measure.

For the last 80 years, questions have been raised regarding jurisdiction and responsibility over various streets and roads which neither the State nor the counties have claimed. These "roads in limbo" include homestead roads, old Territorial roads, and "government roads". Many of these roads have not been maintained due to confusion and conflict of authority between State and county governments. Without resolution as to who has jurisdiction over these "roads in limbo", their condition will continue to worsen and public frustration over dilapidated roadways will increase.

Your Committee has amended this measure by:

- (1) Requesting that DOT, in cooperation with county governments, develop a plan for the regular maintenance of roads in limbo through a memorandum of understanding; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 151, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 151, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1104      Transportation and Health on H.C.R. No. 64**

The purpose of this concurrent resolution is to request that the Department of Education (DOE), Department of Transportation (DOT) and Department of Health (DOH) coordinate their resources to develop a "Safe Routes to School" Program (Program) in Hawaii.

DOH testified in support of the intent of this measure. DOE testified in opposition to this measure. DOT commented on this measure.

Routes to schools present special challenges for young pedestrians and bicyclists since traffic around schools can be very congested, with buses and parents dropping off or picking up children. In fact, being hit by a car while walking is the second leading cause of ambulance-attended injury to children ages 5 to 14, with more than 130 of these children being injured annually as pedestrians.

The Program attempts to prevent these traffic-related injuries to children and promote a healthier lifestyle through walking.

Although your Committees understand the worthiness of this Program, your Committees feel that this measure should be amended in an effort to better implement the Program. Accordingly, your Committees have amended this measure by:

- (1) Changing the lead agency from DOE to DOH, as the Keiki Injury Prevention Coalition of DOH may have a better understanding of the current situation and more adequate resources to coordinate the other agencies involved;
- (2) Requiring that appropriate county agencies be included in the development of the Program since they have jurisdiction over much of the land and roadways around schools;
- (3) Requiring that People Advocacy for Trails Hawaii (PATH), an ongoing, community-driven program in Kona that has currently developed a similar type of program, be used as a model program to develop the Program in Hawaii;
- (4) Changing its title to read as follows: "REQUESTING THE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF TRANSPORTATION, AND THE DEPARTMENT OF HEALTH, ALONG WITH THE APPROPRIATE COUNTY AGENCIES, TO COORDINATE THEIR RESOURCES TO DEVELOP A "SAFE ROUTES TO SCHOOL" PROGRAM IN HAWAII"; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 64, as amended herein, and recommend that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representatives Yoshinaga, Pendleton, Takai, Yonamine and Stonebraker.

**SCRep. 1105      Agriculture and Tourism & Culture on H.R. No. 98**

The purpose of this resolution is to request the Hawaii Tourism Authority (HTA) to establish an Agricultural Tourism Task Force (Task Force) to examine ways and means in which agricultural activities and commodity promotion can be better integrated with tourism destination marketing to achieve better levels of exposure and sales of Hawaii-grown commodities.

The University of Hawaii College of Tropical Agriculture and Human Resources, HTA, and a concerned citizen supported this measure. The Hawaii Farm Bureau Federation supported the intent of this measure.

Your Committees recognize that the intersection of agriculture and tourism represents one of tourism's "niche" markets. Your Committees believe that this Task Force is an important step in supporting agricultural tourism initiatives that will provide new and expanded business opportunities for both industries.

As affirmed by the records of votes of the members of your Committees on Agriculture and Tourism and Culture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 98 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Davis, Gomes and Halford.

**SCRep. 1106      Agriculture and Tourism & Culture on H.C.R. No. 141**

The purpose of this concurrent resolution is to request the Hawaii Tourism Authority (HTA) to establish an Agricultural Tourism Task Force (Task Force) to examine ways and means in which agricultural activities and commodity promotion can be better integrated with tourism destination marketing to achieve better levels of exposure and sales of Hawaii-grown commodities.

The University of Hawaii College of Tropical Agriculture and Human Resources, HTA, and a concerned citizen supported this measure. The Hawaii Farm Bureau Federation supported the intent of this measure.

Your Committees recognize that the intersection of agriculture and tourism represents one of tourism's "niche" markets. Your Committees believe that this Task Force is an important step in supporting agricultural tourism initiatives that will provide new and expanded business opportunities for both industries.

As affirmed by the records of votes of the members of your Committees on Agriculture and Tourism and Culture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 141 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Davis, Gomes Halford, Leong and Ontai.

**SCRep. 1107      Agriculture on H.R. No. 141**

The purpose of this resolution is to request the Governor to appoint an Agricultural Self-Sufficiency Task Force (Task Force) to reduce the State's dependency on imported agricultural products that could be produced locally.

Hawaii's Thousand Friends supported this measure. The Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, and Agribusiness Development Corporation supported the intent of this measure.

Your Committee believes that this Task Force represents an important first step in reducing Hawaii's dependency on imported agricultural products and in supporting locally-based agricultural businesses. Your Committee notes, however, that concerns were raised regarding the availability of funding to finance the activities of the Task Force. Your Committee also notes that the Department of Taxation and the Department of Business, Economic Development, and Tourism, though not specifically named in the text of this measure as being members of the Task Force, retain considerable expertise in the financial and economic aspects of the agriculture industry in Hawaii. The inclusion of these Departments in the membership of the Task Force will provide the Task Force with a valuable source of knowledge and expertise as it carries out its duties.

Your Committee has amended this measure by including the Hawaii Food Industry Association in the list of entities from which the Governor is requested to choose the Task Force members. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 141, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 141, H.D. 1.

Signed by all members of the Committee except Representatives Case, Davis and Halford.  
(Representative Gomes voted no.)

**SCRep. 1108      Agriculture on H.C.R. No. 198**

The purpose of this concurrent resolution is to request the Governor to appoint an Agricultural Self-Sufficiency Task Force (Task Force) to reduce the State's dependency on imported agricultural products that could be produced locally.

Hawaii's Thousand Friends supported this measure. The Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, and Agribusiness Development Corporation supported the intent of this measure.

Your Committee believes that this Task Force represents an important first step in reducing Hawaii's dependency on imported agricultural products and in supporting locally-based agricultural businesses. Your Committee notes, however, that concerns were raised regarding the availability of funding to finance the activities of the Task Force. Your Committee also notes that the Department of Taxation and the Department of Business, Economic Development, and Tourism, though not specifically named in the text of this measure as being members of the Task Force, retain considerable expertise in the financial and economic aspects of the agriculture industry in Hawaii. The inclusion of these Departments in the membership of the Task Force will provide the Task Force with a valuable source of knowledge and expertise as it carries out its duties.

Your Committee has amended this measure by including the Hawaii Food Industry Association in the list of entities from which the Governor is requested to choose the Task Force members. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 198, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 198, H.D. 1.

Signed by all members of the Committee except Representatives Case, Davis and Halford.  
(Representative Gomes voted no.)

**SCRep. 1109      Human Services and Housing on H.R. No. 109**

The purpose of this resolution is to request the Department of Human Services (DHS) to incorporate into its contracts with Adult Residential Care Homes (ARCHS) an auditing requirement on personal needs allowances (allowance) distributed to residents of ARCHS.

Numerous concerned citizens submitted testimony in support of this measure. DHS and the Alliance of Residential Care Administrators opposed this measure.

Your Committee finds that there is a need to define what personal needs should be covered by the allowance and that there does not appear to be a standard for ARCH operators to follow. Additionally, the amount of \$30 is a recommended amount and is not necessarily given in cash to the resident.

Accordingly, your Committee has amended this resolution by:

- (1) Changing the title to read: "REQUESTING THE ESTABLISHMENT OF A LEGISLATIVE TASK FORCE TO WORK WITH ADULT RESIDENTIAL CARE HOME OPERATORS AND RESIDENTS TO DETERMINE THE NEEDS OF THE CARE HOME RESIDENTS";
- (2) Clarifying that the \$30 per month allowance is a recommendation and not a requirement;
- (3) Deleting reference to an inaccurate provision that the State provides an additional \$20 monthly allowance to the recipient;
- (4) Replacing the provision for DHS to modify its ARCH contracts with the establishment of a Legislative Task Force to determine the needs of ARCH residents; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 109, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 109, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 1110            Human Services and Housing on H.C.R. No. 153**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to incorporate into its contracts with Adult Residential Care Homes (ARCHs) an auditing requirement on personal needs allowances (allowance) distributed to residents of ARCHs.

Numerous concerned citizens submitted testimony in support of this measure. DHS and the Alliance of Residential Care Administrators opposed this measure.

Your Committee finds that there is a need to define what personal needs should be covered by the allowance and that there does not appear to be a standard for ARCH operators to follow. Additionally, the amount of \$30 is a recommended amount and is not necessarily given in cash to the resident.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: "REQUESTING THE ESTABLISHMENT OF A LEGISLATIVE TASK FORCE TO WORK WITH ADULT RESIDENTIAL CARE HOME OPERATORS AND RESIDENTS TO DETERMINE THE NEEDS OF THE CARE HOME RESIDENTS";
- (2) Clarifying that the \$30 per month allowance is a recommendation and not a requirement;
- (3) Deleting reference to an inaccurate provision that the State provides an additional \$20 monthly allowance to the recipient;
- (4) Replacing the provision for DHS to modify its ARCH contracts with the establishment of a Legislative Task Force to determine the needs of ARCH residents; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 153, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 153, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and Stonebraker.

**SCRep. 1111            Legislative Management on H.C.R. No. 105**

The purpose of this concurrent resolution is to request the Auditor to conduct a study of all in-house and contracted printing jobs, including contracts awarded by state agencies to private marketing and advertising firms that subcontract printing jobs.

The University of Hawaii, Obun Hawaii, Inc., Edward Enterprises, Inc., HonBlue, Inc., xpedx Hawaii, and the Hawaii Chapter of the Pacific Printing and Imaging Association testified in support of this measure.

Your Committee finds that while the printing industry contributes more than \$250,000,000 annually to the State's economy, approximately \$200,000,000 is spent outside the State on printing jobs. Your Committee believes that this study will be valuable in determining how the State's printing jobs affect Hawaii's printing industry.

Your Committee, however, is concerned that this will be an enormous task because of the number of state agencies that will need to be studied. Your Committee believes that your Committee on Finance may need to narrow the scope of this resolution and examine any funding issues.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 1112                    Legislative Management on H.C.R. No. 178**

The purpose of this concurrent resolution is to request the Auditor to conduct a program and financial audit of the Department of Land and Natural Resources' Historic Preservation Division.

The Department of Land and Natural Resources, Hawaii Government Employees Association, Archaeological Services Hawaii, LLC, Society for Hawaiian Archaeology, and numerous individuals testified in support of this resolution. Applied Planning Systems, Hawaii Reserves, Inc., Kikiaola Land Company, Limited, and numerous individuals submitted comments.

Your Committee is concerned about the numerous complaints regarding the management and operations of the Historic Preservation Division. Your Committee believes that it is appropriate that the Legislature exercise its oversight responsibilities in requesting this audit.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

**SCRep. 1113                    Legislative Management on H.R. No. 90**

The purpose of this resolution, as received, is to request the Legislative Reference Bureau to examine the feasibility of adding surfing as a competitive interscholastic sport.

The Principal for Kahuku High and Intermediate School and several students from Kahuku High testified in support of the measure. The Department of Education opposed this measure. The Legislative Reference Bureau submitted comments.

Although your Committee fully supports this resolution on surfing, your Committee believes that it is necessary to delete the contents of this resolution and replace it with language that deals with charter schools.

As amended, this measure:

- (1) Changes the title to read: REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT AUDIT OF CONNECTIONS, VOYAGER, LANIKAI ELEMENTARY, KANU O KA AINA, WEST HAWAII EXPLORATION ACADEMY, AND WATERS OF LIFE CHARTER SCHOOLS; and
- (2) Inserts provisions that requests the Auditor to conduct a financial and management audit of the following six schools: Voyager, Connections, Lanikai Elementary, West Hawaii Exploration Academy, Waters of Life, and Kanu O Ka Aina.

Your Committee believes that it is imperative to conduct a thorough financial and management audit of these model charter schools. Your Committee finds that there is little information available to evaluate the current operations of charter schools and financial and management audit of selected schools will allow the Legislature to be better informed in developing future charter school policies. The audit will:

- (1) Ensure that the charter schools are operating efficiently and within the requirements of the charter school laws;
- (2) Find out why some of these schools are funding a deficit; and
- (3) Determine whether the continued expansion of the charter school program is warranted based on the Auditor's findings.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 90, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 90, H.D. 1.

Signed by all members of the Committee except Representatives Halford.  
(Representative Gomes voted no.)

**SCRep. 1114                    Legislative Management on H.C.R. No. 132**

The purpose of this concurrent resolution, as received, is to request the Legislative Reference Bureau to examine the feasibility of adding surfing as a competitive interscholastic sport.

The Principal for Kahuku High and Intermediate School and several students from Kahuku High testified in support of the measure. The Department of Education opposed this measure. The Legislative Reference Bureau submitted comments.

Although your Committee fully supports this concurrent resolution on surfing, your Committee believes that it is necessary to delete the contents of this resolution and replace it with language that deals with charter schools.

As amended, this measure:

- (1) Changes the title to read: REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT AUDIT OF CONNECTIONS, VOYAGER, LANIKAI ELEMENTARY, KANU O KA AINA, WEST HAWAII EXPLORATION ACADEMY, AND WATERS OF LIFE CHARTER SCHOOLS; and
- (2) Inserts provisions that requests the Auditor to conduct a financial and management audit of the following six schools: Voyager, Connections, Lanikai Elementary, West Hawaii Exploration Academy, Waters of Life, and Kanu O Ka Aina.

Your Committee believes that it is imperative to conduct a thorough financial and management audit of these model charter schools. Your Committee finds that there is little information available to evaluate the current operations of charter schools and financial and management audit of selected schools will allow the Legislature to be better informed in developing future charter school policies. The audit will:

- (1) Ensure that the charter schools are operating efficiently and within the requirements of the charter school laws;
- (2) Find out why some of these schools are funding a deficit; and
- (3) Determine whether the continued expansion of the charter school program is warranted based on the Auditor's findings.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 132, H.D. 1.

Signed by all members of the Committee except Representative Halford.  
(Representative Gomes voted no.)

#### **SCRep. 1115      Judiciary & Hawaiian Affairs on S.B. No. 996**

The purpose of the bill to amend the State Constitution to allow prosecutors and the Attorney General to initiate criminal charges for the lowest grade of felony offenses by filing a written information, as provided by law.

The Attorney General, Departments of the Prosecuting Attorneys for the Counties of Honolulu, Maui and Hawaii, Honolulu Police Department, Hawaii County Police Department, Sex Abuse Treatment Center, Hawaii Bankers Association, Retail Merchants of Hawaii, Queen's Medical Center, Hawaii Hotel Association, CEATECH USA, Hunt's Laundromatics, Royal Guard Security, Inc., Waikiki Beach Activities, McCabe, Hamilton & Renny Co., Ltd., Allied Machinery Corp., Waikiki Improvement Assoc., and several individuals submitted testimony in support of this bill. The Office of the Public Defender, American Civil Liberties Union Hawaii, AFL-CIO, ILWU Local 142, and an individual submitted testimony in opposition to this bill.

Your Committee finds that the proposed concept of prosecution by information presents inherent dangers to the protections afforded by the grand jury or the preliminary hearing process. However, limiting the application of information only to Class C felonies may be justified when balanced against factors that include judicial economy. The Honolulu Prosecuting Attorney was present during decision-making and expressed concurrence with the limitation to Class C felonies. This measure is tied to proposed statutory provisions allowing for prosecution by information only for Class C felonies.

Your Committee has amended this bill by:

- (1) Limiting prosecution by information to crimes charged in the lowest grade of felony; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 996, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Yoshinaga, Auwae and Whalen.

#### **SCRep. 1116      Judiciary & Hawaiian Affairs on S.B. No. 997**

The purpose of the bill is to allow for Class C felony prosecution via information.

Your Committee received testimony in support of the measure from the Department of the Attorney General, Department of the Prosecuting Attorney for the Counties of Honolulu, Maui and Hawaii, Police Department for the Counties of Honolulu and Hawaii, Sex Abuse Treatment Center, Hawaii Bankers Association, Retail Merchants of Hawaii, Queen's Medical Center, the Hawaii Hotel Association, CEATECH USA, Hunt's Laundromatics, Royal Guard Security, Inc., Waikiki Beach Activities, Ltd., McCabe, Hamilton & Renny Co., Ltd., Allied Machinery Corp., Waikiki Improvement Assoc. and concerned individuals. Testimony in opposition to the measure was received from the Office of the Public Defender, ACLU Hawaii, Hawaii State AFL-CIO, ILWU Local 142 and a concerned individual.

Your Committee finds that allowing felony charges to be initiated by information negatively affects the protections afforded by the grand jury and the preliminary hearing processes. Allowing prosecution by information will cause a major shift in protections to the disadvantage of defendants. Consequently, your Committee believes that a new balance must be struck and that extensive study of the issues presented is needed.

Your Committee has accordingly amended the bill by:

- (1) Limiting prosecution by written information to class C felonies;
- (2) Requiring known, clearly exculpatory evidence to be disclosed in the information exhibits;
- (3) Allowing the accused to depose witnesses to prepare a defense; and
- (4) Creating a task force to study alternatives in criminal charging procedures.

The Honolulu Prosecuting Attorney was present during decision-making and expressed concurrence with the limitation to Class C felonies and providing for depositions in the statutes.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 997, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

#### **SCRep. 1117      Judiciary & Hawaiian Affairs on S.B. No. 2149**

The purpose of this bill, as received by your Committee, is to establish rebuttable presumptions for the court in determining whether to release information related to cases involving a missing child.

For discussion purposes, a proposed draft version of this measure was circulated at the public hearing. The proposed draft requires:

- (1) Notification to a legal custodian if a child is taken into protective custody;
- (2) A report to the court if no disposition, review, permanent plan, or permanent plan hearing has occurred within six months of the initial petition;
- (3) An interview with the child's family in preparation of a report to the court or indication of the reasonable attempts to conduct an interview; and
- (4) Written findings of clear and convincing evidence to support a conclusion by the court that a permanent plan is warranted in a child protective hearing.

Numerous individuals testified in support of the proposed draft. The Judiciary commented on the proposed measure. The Department of Human Services opposed the proposed draft.

Your Committee finds that the proposed draft will not solve all the issues raised by individuals affected by child protective actions. However, discussion should continue on ways to address perceived abuses visited upon families targeted for child protective action.

Your Committee has amended this measure by deleting its substance and inserting the contents of the proposed draft. Other technical, nonsubstantive amendments were also made to the proposed draft for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2149, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2149, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

#### **SCRep. 1118      Consumer Protection & Commerce and Judiciary & Hawaiian Affairs on S.B. No. 1320**

The purpose of this bill is to permit private actions for unfair methods of competition. In addition, this bill permits private indirect purchaser antitrust class actions.

Testimony in support of this bill was received from the State of Hawaii Attorney General, Consumer Lawyers of Hawaii, and a concerned individual. Testimony in opposition to the bill was submitted by Microsoft Corporation.

Your Committees find that only the Attorney General may bring an action to enforce the antitrust, or unfair methods of competition law. This restriction was the result of a 1999 Supreme Court interpretation of section 480-2, Hawaii Revised Statutes. However, the Attorney General does not have the resources to investigate and litigate all price-fixing claims. This bill amends the law to clearly give businesses and consumers the right to enforce the law if the Attorney General declines to commence an action based on the claim.



Your Committees also find that under current law, only the Attorney General may bring a class action on behalf of indirect purchasers affected by price fixing. Indirect purchasers are persons who bought from intermediaries, who in turn, bought from the parties engaged in the price fixing. This bill would ease the burden on the Attorney General's resources while allowing consumers to enforce the antitrust laws and obtain a remedy for damages suffered as a result of the illegal activity.

Upon further consideration, your Committees have amended this bill to allow the Attorney General to review and prosecute, or decline to prosecute, an indirect purchaser class action before it may be brought by private indirect purchasers.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1320, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1320, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Morita, Souki, Yoshinaga, and Meyer.

**SCRep. 1119 Finance on S.B. No. 2681**

The purpose of this bill is to differentiate public works projects involving alteration or new construction from projects involving maintenance work. Specifically, this bill requires that for public works projects:

- (1) Involving alteration and new construction, the plans or specifications must be prepared or supervised by a licensed design professional, and the construction must be observed by a licensed design professional; and
- (2) Involving maintenance work, the plans or specifications do not have to be prepared or supervised by a licensed design professional, and the construction must be observed by a licensed design professional.

The Board of Professional Engineers, Architects, Surveyors, and Landscape Architects and the Department of Accounting and General Services testified in support of the measure. The American Society of Civil Engineers, Hawaii Section, and the Hawaii Health Systems Corporation testified in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2681, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1120 Finance on S.B. No. 941**

The purpose of this bill is to amend the definition of "medical care," "medical services," or "medical supplies" under Hawaii's Workers' Compensation Law by:

- (1) Adding occupational therapists and occupational therapy assistants to the list of recognized health care providers; and
- (2) Replacing the term "masseur" with "licensed massage therapist."

Neurology Associates, Inc., the Hawaii Chapter of the American Physical Therapy Association, Kaiser Permanente, Massage Therapists Association of Hawaii, and many individuals submitted testimony in support of this bill.

Occupational Therapy Association of Hawaii, Rehabilitation Hospital of the Pacific, Straub Clinic and Hospital, and several individuals submitted testimony supporting the intent of this bill.

The Department of Labor and Industrial Relations submitted comments on this bill.

Your Committee has amended this bill by clarifying that occupational therapists and licensed massage therapists are registered with the Department of Commerce and Consumer Affairs pursuant to chapters 457G and 452, Hawaii Revised Statutes, respectively.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 941, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 941, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1121 Finance on S.B. No. 2432**

The purpose of this bill is to appropriate an unspecified amount of funds for emergency medical services at Waianae Coast Comprehensive Health Center.

The Office of Hawaiian Affairs and Waianae Coast Comprehensive Health Center supported this measure. The Department of Health supported the intent of this bill.

Your Committee has amended this measure by changing the appropriation amount to \$1 to facilitate further discussion. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2432, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2432, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1122            Finance on S.B. No. 2526**

The purpose of this bill is to encourage parental participation in child rearing by:

- (1) Adding the Judiciary to the list of state and county agencies required to eliminate parental preferences in contracts, programs, and services; and
- (2) Requiring the Judiciary and each state and county agency to submit annual reports to the Legislature on the effect of the required elimination of parental preferences in their respective contracts, programs, and services.

Your Committee has amended this measure by:

- (1) Generalizing the reporting requirements by deleting the specific requirement that the annual report on the effects of the implementation of this policy submitted to the Legislature by each state and county executive agency and the Judiciary include its effects on each program, contract, and service; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2526, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2526, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1123            Finance on S.B. No. 2824**

The purpose of this bill is to make various amendments to conform Hawaii State income tax law with the federal Internal Revenue Code as required under section 235-2.5, Hawaii Revised Statutes.

The Department of Human Resources Development, Department of Taxation, and the State Deferred Compensation Plan Board of Trustees supported this measure. The Tax Foundation of Hawaii offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2824, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2824, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1124            Finance on S.B. No. 3048**

The purpose of this bill is to authorize the issuance of special facility revenue bonds to finance a world-class destination visitor attraction on Ford Island to tell the Navy-Marine Corps story in World War II.

The Hawaii Tourism Authority and the Ford Island Development Group, LLC, submitted testimony in support of this bill. The Department of Budget and Finance submitted comments on this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3048, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3048, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1125            Finance on S.B. No. 2786**

The purpose of this bill is to:

- (1) Place the Hoisting Machine Operators Advisory Board (Board) within the Department of Labor and Industrial Relations for administrative purposes to avoid possible constitutional challenges of the Board's actions; and
- (2) Place the half-time executive director position under the control of the Board, and excludes this position from civil service.

The Department of Labor and Industrial Relations testified in support of this bill.

Your Committee has amended this bill by:

- (1) Restoring the original reference to chapter 77, Hawaii Revised Statutes, with respect to the half-time position; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2786, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2786, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1126                      Finance on S.B. No. 2478**

The purpose of this bill is to allow trustees of the Office of Hawaiian Affairs (OHA) to participate in and receive the same retirement benefits as other state-elected officials.

OHA, Employees' Retirement System, and a concerned citizen testified in support of this measure.

Your Committee has amended this measure by clarifying that:

- (1) Any trustee of the Office of Hawaiian Affairs in service on July 1, 2002, may become a member upon the trustee's election, in accordance with section 88-43, Hawaii Revised Statutes, by October 1, 2002;
- (2) Any trustee of the Office of Hawaiian Affairs elected or appointed after July 1, 2002, may become a member upon the trustee's election, in accordance with section 88-43, Hawaii Revised Statutes;
- (3) Any former trustee of the Office of Hawaiian Affairs who is a class C member on July 1, 2002, may elect to enter class A membership or remain a class C member by October 1, 2002;
- (4) Any former trustee of the Office of Hawaiian Affairs, who served during the period of July 1, 1993, through June 30, 2002, who becomes a member on or after July 1, 2002, may elect to become a class A or class C member within 30 days of entering or re-entering service;
- (5) Any service as a trustee of the Office of Hawaiian Affairs during the period of July 1, 1993, through July 1, 2002, if claimed by the member, shall be credited in the member's class at the time the service is acquired; provided that membership service shall be credited in accordance with sections 88-59 and 88-272;
- (6) Any former trustee of the Office of Hawaiian Affairs who retired from service prior to July 1, 2002, shall not be entitled to claim membership service as a trustee during the period July 1, 1993, through June 30, 2002; and
- (7) Service rendered as a trustee of the Office of Hawaiian Affairs during the period of July 1, 1993, through June 30, 2002, constitutes membership service for the retirement system.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to facilitate further discussion. Other technical, nonsubstantive amendments were also made for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2478, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2478, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1127                      Finance on S.B. No. 2775**

The purpose of this bill is to ensure that the Hawaii Health Systems Corporation (HHSC) can repay the State for moneys advanced and to pay for mandated and rural healthcare services by making an emergency appropriation of \$5,000,000 for fiscal year 2001-2002.

HHSC, the Hawaii Government Employees Association, United Public Workers, Chamber of Commerce of Hawaii, and two members of the Maui County Council testified in support of this measure.

Your Committee has amended this bill by:

- (1) Reducing the appropriation amount to \$1 for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2775, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1128            Finance on S.B. No. 2274**

The purpose of this bill is to appropriate funds to the Department of Health to support the case management program of the Maui AIDS Foundation.

The Maui AIDS Foundation, two members of the Maui County Council, and four concerned individuals testified in support of the bill. While taking no official position on the measure, the Attorney General did raise constitutional concerns about the bill as presently drafted.

Your Committee has amended the bill by:

- (1) Inserting an appropriation of \$1 for the purpose of furthering discussion on the matter; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2274, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2274, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1129            Finance on S.B. No. 2118**

The purpose of this bill, as received, is to require successor employers to retain incumbent employees upon the divestiture, sale, or acquisition of a business.

Your Committee circulated a proposed H.D. 1 at the public hearing, which:

- (1) Establishes a new section in the Hawaii Revised Statutes instead of a new chapter, providing that the successor employer retain at least 50 percent of incumbent, nonsupervisory employees;
- (2) Adds a new definition and amends existing definitions; and
- (3) Requires an employer in a covered establishment to provide written notification at least 60 days prior to the divestiture.

The ILWU, Hawaii State AFL-CIO, Unity House, Inc., and Hotel Employees and Restaurant Employees, Local 5 submitted testimony in support of the proposed H.D. 1.

The Department of Labor and Industrial Relations, Chamber of Commerce of Hawaii, Hawaii Hotel Association, Society of Human Resource Management – Hawaii Chapter, and Hawaii Reserves, Inc., opposed the proposed H.D. 1.

Your Committee has amended this bill by deleting its substance and replacing its contents with the proposed H.D. 1. Other technical, nonsubstantive amendments were also made for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2118, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2118, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1130            Judiciary & Hawaiian Affairs on S.B. No. 2698**

The purpose of the bill is to revise chapter 846E, Hawaii Revised Statutes (HRS), to address the Hawaii Supreme Court's decision in State of Hawaii v. Eto Bani, and to make other revisions pertaining to sex offender registration.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Public Safety, Department of the Prosecuting Attorney for the City and County of Honolulu, County of Hawaii Office of the Prosecuting Attorney, Hawaii County Police Department, Maui County Police Department, and Volunteer Legal Services Hawaii. The Office of the Public Defender opposed this measure.

Your Committee finds that the case of State of Hawaii v. Eto Bani expressed many concerns about chapter 846E, HRS, but the decision focused specifically on the provisions of section 846E-3, HRS. The court voided the notification provisions for want of providing the defendant an opportunity to be heard as to whether notification should apply to the defendant.

Your Committee has amended this bill by deleting the contents and inserting provisions that solely address the expressed concerns of the Hawaii Supreme Court by:

- (1) Inserting provisions that provide the sex offender due process to determine whether public notification is required;
- (2) Requiring a minimum of ten years of public notification if the court determines that public notification is necessary;
- (3) Exempting offenders convicted of a single misdemeanor sexual offense;
- (4) Providing factors for the court to consider in making decisions on notification; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2698, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1131            Judiciary & Hawaiian Affairs on S.B. No. 2431**

The purpose of this bill, as received, is to strengthen the State's campaign spending laws.

Specifically, this measure:

- (1) Limits aggregate campaign contributions from any person or entity to not more than \$25,000, in any calendar year; provided that a contribution made to a candidate during a non-election year is counted as though made to the candidate in an election year;
- (2) Prohibits banks, corporations, and labor organizations from making campaign contributions, except through a separate segregated fund established for political purposes;
- (3) Repeals the existing law relating to fundraising activities;
- (4) Prohibits campaign contributions from contractors for a limited time before and after the contract; and
- (5) Makes the intentional falsification of campaign spending reports a class C felony.

The State of Hawaii Campaign Spending Commission, Common Cause Hawaii, and League of Women Voters of Hawaii testified in support of this measure.

Your Committee realizes that the public desires campaign spending reforms to promote equity and fairness in elections. Some members of the public believe our current system of campaign finance allows donors to exert a disproportionate influence in decisions, including the award of government contracts. Your Committee finds that this measure will restore voter confidence in the independence of elected officials.

Your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Places a cap on the aggregate amount any individual or entity is permitted to contribute to all candidates during an election cycle;
- (2) Prohibits unions and corporations from giving direct campaign contributions;
- (3) Prohibits campaign contributions from persons who enter into state or county government contracts;
- (4) Makes knowingly and intentionally falsifying any report required by the campaign financing law with the intent to circumvent the law or deceive the Campaign Spending Commission, a class C felony;
- (5) Requires that campaign contributions used to qualify for public funding be received from individual residents of the state;
- (6) Deletes adoption of the code of fair campaign practices as part of the campaign spending rules from enumerated duties of the Campaign Spending Commission;
- (7) Clarifies provisions on return or escheat of excess contributions.
- (8) Clarifies that prohibitions on corporate or labor organization contributions to non-candidate committees apply as contributions to "separate segregated funds";
- (9) Deletes a provision in section 11-204(b), Hawaii Revised Statutes (HRS), that exempts a corporation or company using funds from its own treasury from the limit on contributions to the corporation or company non-candidate committee;
- (10) Corrects the unintended deletion of subsections 11-204 (f) through 11-204 (j), HRS;
- (11) Provides that an individual and a general partnership in which the individual is a partner are to be treated as one person only when the individual owns at least 50 percent interest in the partnership;

- (12) Amends the definition of "person" in proposed section 11-205.5(e), HRS, to allow state and county government contracts with campaign contributors who are minority partners in a partnership or minority shareholders of a corporation;
- (13) Revises the wording of section 11-205.5, HRS, to direct the focus on the government agency responsible for disbursement of public funds;
- (14) Increases the maximum amount of contributions permitted to be made from campaign funds to community service, educational, youth, recreational, charitable, scientific or literary organizations;
- (15) Amends section 11-218(d), HRS, by deleting a reference to special elections, for consistency with amendments to other related sections;
- (16) Clarifies that ineligibility to receive payments under section 11-217, HRS, for "special elections" is not intended to apply to "special elections" held in conjunction with primary and general elections; and
- (17) Adds, for discussion purposes, new language based in part, on provisions of the recently enacted Bipartisan Campaign Reform Act of 2002. The new provisions:
  - (a) Assure that political parties and candidates who receive funds from national political parties are subject to reporting requirements and contribution limits;
  - (b) Clarify the nature of "election activity" and "coordinated activity" that must be reported and counted toward contribution limits; and
  - (c) Prohibit political parties, after the nomination of a candidate for a general election, from both contributing directly to the candidate's campaign and making independent expenditures on behalf of the candidate.

Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2431, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2431, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

#### **SCRep. 1132      Finance on S.B. No. 706**

The purpose of this bill as received by your Committee, is to extend the sunset date of part IV of Act 230, Session Laws of Hawaii 1998, relating to the effect of *Konno v. County of Hawaii*, from 6/30/01 to 6/30/03.

Your Committee held a hearing on a proposed draft of this bill that would:

- (1) Establish a three-year pilot program to provide grants to certain property owners for installation of wind-resistive devices that reduce the severity of property loss from strong winds;
- (2) Authorize the issuance of \$100,000,000 in general obligation bonds as needed to re-capitalize the Hurricane Reserve Trust Fund (HRTF) after a covered event;
- (3) Appropriate \$100,000,000 from the HRTF for deposit into the general fund; and
- (4) Appropriate funds for important state programs and capital improvement projects that cannot be funded due to the \$300,000,000 shortfall in projected state revenues for fiscal biennium 2001-2003.

Testimony in support of the proposed draft was received from the Department of Education, University of Hawaii, Department of Human Services, Department of Public Safety, Department of the Prosecuting Attorney of the City and County of Honolulu, Office of Information Practices, Hawaii Hotel Association, Volunteer Legal Services Hawaii, Blueprint for Change, Neighborhood Place of Kona, and a concerned individual.

Testimony in support of specific portions of the proposed draft was provided by the Department of the Attorney General, Department of Taxation, Department of Agriculture, Department of Accounting and General Services, Hawaii State Ethics Commission, Good Beginnings Alliance, Hurricane Hazard Mitigation Ad Hoc Task Force, Office of Elections, and several concerned individuals.

The Department of Budget and Finance, Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and a concerned individual supported the intent of the proposed draft. The Hawaii Hurricane Relief Fund and the Hawaii Association of Realtors submitted testimony in opposition to the proposed draft. The Judiciary, Department of Health, Department of Human Resources Development, and Hawaii Youth Services Network commented on the proposed draft.

Your Committee finds that unprecedented circumstances have left few options to address the current budget shortfall and prevent further funding losses in education, public health, social services, public safety, and environmental protection programs. Without access to additional resources, many of these programs would be devastated. Your Committee recommends that a portion of the money in the HRTF be transferred to the general fund in order to maintain services important to the people of Hawaii.

However, your Committee finds it is also important to maintain the integrity of the Hawaii Hurricane Relief Fund and ensure that homeowners are prepared when – not if – the next hurricane hits the islands. To that end, your Committee has authorized the issuance of general obligation bonds to recapitalize the HRTF should the need arise.

Additionally, strengthening homes is an effective way of reducing hurricane losses, and has the added benefit of reducing insurance costs. Your Committee has provided for the establishment of a loss mitigation grant program to assist homeowners acquire loans to strengthen their homes against hurricanes.

Your Committee has amended this bill by deleting its contents and replacing them with the provisions of the proposed draft heard by your Committee. The new contents of this measure have been amended to:

- (1) Correct the appropriation amounts in section 47 of the bill for one item in Education 100 and 1 item in Education 300;
- (2) Add an appropriation to section 31 of the bill to correct an inadvertent deletion in Education 300;
- (3) Clarify that the immunity provisions apply to the Loss Mitigation Grant Fund;
- (4) Clarify other provisions of the Loss Mitigation Grant Fund; and
- (5) Make other technical, nonsubstantive amendments for purposes of clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 706, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 706, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1133      Consumer Protection & Commerce on S.B. No. 2106**

The purpose of this bill is to:

- (1) Remove the sunset date of the marriage and family therapists statute; and
- (2) Authorize reciprocity agreements to recognize licenses of marriage and family therapists from other states, provided that the state's license requirements are as stringent as Hawaii's current requirements.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Hawaii Association for Marriage and Family Therapy, Bobby Benson Center, Hawaii International Child Placement & Family Services, Inc., Christian Science Committee on Publication for Hawaii, Argosy University, and a number of concerned individuals.

Your Committee finds that marriage and family therapists serve a valuable role in ministering to mental, emotional and nervous disorders within the context of the individual's family relationships. Your Committee further finds that the current regulation of marriage and family therapists is scheduled to expire on December 31, 2002.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2106, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki, Yoshinaga and Meyer.

**SCRep. 1134      Consumer Protection & Commerce on S.B. No. 2490**

The purpose of this bill is to revise and clarify labeling requirements for roasted and instant coffee produced in whole or in part from Hawaii-grown green coffee beans. Specifically, this bill:

- (1) Clarifies and expands mandatory labeling requirements and related definitions and prohibitions; and
- (2) Establishes recordkeeping requirements for those who package roasted or instant Hawaii-grown coffee.

Testimony in support of this bill was received from the Hawaii Farm Bureau, Hawaii Coffee Association, Greenwell Farms, Inc., Petersen Marketing, Kauai Coffee Company, Inc., and Hawaii Coffee Company. The Department of Agriculture commented on the bill.

Your Committee finds that coffees from Hawaii grown in geographic areas other than Kona are gaining recognition as coffees of high quality, and need the protection against false claims of origin that is presently given only to Kona coffee. Your Committee further finds that current labeling of some Hawaii-grown coffee is confusing and may mislead customers as to the type of coffee that they are purchasing.

Your Committee finds that with the implementation of the labeling requirements in this bill, consumers will be made aware of a coffee's origin and of the actual percentage of Hawaii-grown coffee that is contained in coffee advertised and marketed as Hawaii-grown.

Your Committee notes that the Department of Agriculture and the Hawaii Coffee Association worked closely together in developing a bill that is supported by all coffee interests.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki, Yoshinaga and Meyer.

**SCRep. 1135 Consumer Protection & Commerce on S.B. No. 2890**

The purpose of this bill is to revitalize the Waikiki visitor industry by allowing hotels located on Waikiki property that has been subsequently rezoned for apartment use, to convert to time share ownership. Specifically, this bill:

- (1) Allows time share units and plans on property in a county with a population in excess of 500,000 where an existing hotel is a valid nonconforming use under county ordinance; provided that the hotel has at least sixty units and forty percent are available for sale as residential apartments; and
- (2) Exempts time share units from the provisions relating to the ownership of parking stalls under section 514A-14.5, Hawaii Revised Statutes.

The American Resort Development Association testified in support of this measure. The City and County of Honolulu testified in opposition to this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that occupancy at time share resorts is consistently high, even during periods of crisis such as we have recently experienced. Your Committee finds that allowing Waikiki hotels on property zoned for apartment use to convert to time shares will strengthen and add a measure of stability to the State's economy.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2890, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Morita, Souki, Yoshinaga and Meyer.

**SCRep. 1136 Consumer Protection & Commerce and Judiciary & Hawaiian Affairs on S.B. No. 233**

The purpose of this bill is to update and clarify the chiropractor licensing law by:

- (1) Including within the definition of "chiropractic," physical therapy, massage therapy, and referrals of specimens for laboratory tests;
- (2) Providing that chiropractic diagnosis and treatment, including articulations and manipulative therapies, concern the whole body, and not just the spinal column;
- (3) Defining "extraspinal" as articulation of the extremities of the human body;
- (4) Redrafting the section of the law controlling prohibited practices and penalties to increase clarity; and
- (5) Specifying that in addition to authorized titles such as "doctor of chiropractic," licensed chiropractors may use the title "chiropractic physician."

The Massage Therapists Association and one individual testified in support of the bill. The Board of Chiropractic Examiners, Hawaii Chapter American Physical Therapy Association, and the Hawaii State Chiropractic Association supported the intent of the bill and suggested amendments. The Hawaii Medical Association, Chamber of Commerce of Hawaii, State Farm Insurance Companies, and the Hawaii Insurers Council opposed the measure.

Your Committees find that state law regarding chiropractic scope of practice was enacted approximately 77 years ago, rendering some of its language obsolete. This bill will revise current state chiropractic laws to conform to standards set forth by the United States Department of Education and followed by accredited chiropractic colleges in the United States. The proposed changes in this bill also clarify the practice of chiropractic in accordance with national accreditation standards of the Council of Chiropractic Education.

Your Committees recognize, however, the concerns of no-fault industry representatives who believe that this bill, as drafted, may affect the no-fault personal injury protection benefits law by expanding the number of referrals for physical therapy and massage therapy beyond the 30-visit limit.

Therefore, your Committees have amended this measure by:

- (1) Deleting references to physical therapy and massage therapy from the definition of "chiropractic";
- (2) Amending the personal injury protection benefit law to define "chiropractic," and clarify that "chiropractic treatment" counting towards the 30-visit limit includes referrals for physical therapy and massage therapy; and



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

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 233, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 233, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Case, Souki, Yoshinaga, Gomes, Meyer, and Auwae.  
(Representatives Yonamine and McDermott voted no.)

**SCRep. 1137      Judiciary & Hawaiian Affairs on S.B. No. 2701**

The purpose of this bill is to remedy the filing of frivolous financing statements with the Bureau of Conveyances by providing a nonjudicial procedure to terminate a financing statement that was filed without the authorization of the debtor.

The Department of the Attorney General, the Department of Land and Natural Resources, and Hawaii's Commission to Promote Uniform Legislation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2701, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1138      Judiciary & Hawaiian Affairs on S.B. No. 1575**

The purpose of the bill, as received, is to amend the traffic code to increase pedestrian safety.

Specifically, this bill:

- (1) Establishes a penalty of not more than \$100 for each violation of pedestrian-related laws;
- (2) Requires vehicles to stop for pedestrians under prescribed conditions;
- (3) Requires the person who is issued a notice of a traffic infraction to provide identification to the officer issuing the notice; and
- (4) Requires a pedestrian to extend either arm straight up toward the sky, in addition to other requirements, before crossing a roadway when there is no traffic control signal or the signal is not in operation.

The Department of Transportation testified in support of this measure. The Honolulu Police Department supported the intent of this measure. The Office of the Public Defender provided testimony expressing concerns on the measure.

Your Committee finds that pedestrian fatalities are a serious concern and that part of the problem occurs because motorists fail to stop and yield to pedestrians.

Your Committee has amended this bill by deleting its contents and inserting provisions that address pedestrian safety through the establishment of a pedestrian bill of rights that:

- (1) Mandates that drivers yield to pedestrians in intersections and crosswalks;
- (2) Prohibits pedestrians from jaywalking when a crosswalk or intersection is located within 200 feet of the pedestrian;
- (3) Gives the pedestrian the right-of-way in all controlled intersections or intersections with signals, particularly over vehicles turning into a crosswalk with a green light; and
- (4) Establishes regulations pertaining to pedestrians and the crossing of streets.

Other technical, nonsubstantive amendments were made for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1575, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1575, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1139      Judiciary & Hawaiian Affairs on S.B. No. 2934**

The purpose of this bill is to:

- (1) Expand the definition of "special liquor district" to include areas designated by a county for historic preservation and residential protection; and

- (2) Require a Liquor Commission investigator to include in every report for an application for a liquor license the possible adverse effects that the establishment may have on the surrounding community.

Your Committee received testimony in support of this bill from the County of Hawaii's Department of Liquor Control, Ala Moana/Kakaako Neighborhood Board No. 11, Waikiki Citizen's Patrol (District 6, Sector 1 – West Waikiki/Hobron/Atkinson), and concerned individuals.

Your Committee has amended the bill by deleting the requirement that, for every liquor license application, a Liquor Commission investigator must report the possible adverse effects that the establishment may have on the surrounding community. Your Committee finds that a determination of what adverse effects are is tenuous and difficult to make. Under current law, an applicant for a new liquor license must notify property owners within 500 feet of the premises, and such owners may file with the Liquor Commission their protests, which may include their assessment of possible adverse conditions.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2934, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2934, H.D. 2.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.  
(Representatives Bukoski and Thielen voted no.)

**SCRep. 1140      Judiciary & Hawaiian Affairs on S.B. No. 3040**

The purpose of this measure is to ensure confidentiality of certain information submitted to the Insurance Commissioner in connection with captive insurance companies domiciled in Hawaii, unless the Insurance Commissioner deems disclosure necessary.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Bank of Hawaii, and Chair of the Hawaii Captive Insurance Council. The Office of Information practices provided testimony in opposition to this bill.

Your Committee finds that disclosure of proprietary information related to captive insurance programs may enable competitors to gain an unwarranted business advantage, and that the Insurance Commissioner is in the best position to assess whether disclosure serves the public interest.

Your Committee has amended this measure by:

- (1) Adding that disclosure may be made to courts of competent jurisdiction; and
- (2) Clarifying the definition of "nonpublic information."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3040, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3040, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1141      Judiciary & Hawaiian Affairs on S.B. No. 2309**

The purpose of this measure is to require recreational vessels that travel beyond a mile from shore to have on board properly functioning emergency communication equipment.

Your Committee received testimony in support of this measure from the Board of Land and Natural Resources, the Chamber of Commerce of Hawaii, the Hawaii Boaters Political Action Association, and a concerned individual.

Your Committee finds that requiring watercraft to carry a VHF radio or an emergency position indicating radio beacon (EPIRB) may reduce the time and cost of search and rescue operations that take place when recreational boaters unexpectedly fail to return to shore.

Your Committee has amended this measure by:

- (1) Including jet skis among the watercraft exempted from the application of this chapter; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2309, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2309, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1142      Finance on S.B. No. 2500**

The purpose of this bill is to support the State's efforts in assisting the most vulnerable citizens by:

- (1) Requiring the Department of Human Services to contract with a provider for legal assistance to families who adopt special needs children;
- (2) Appropriating funds:
  - (A) To provide the State match for federal funds available for nonrecurring adoption expenses; and
  - (B) For a contracted provider to provide legal assistance to families who adopt special needs children;
- (3) Appropriating funds for a contract to obtain Supplemental Security Income benefits for at least 100 applicants; and
- (4) Appropriating funds for the Department of Human Services to contract with a provider to provide the State with a \$1,500,000 cost saving by maximizing federal benefits available to Hawaii residents who are dually eligible for benefits under Medicaid and Medicare.

The Legal Aid Society of Hawaii supported this measure. The Department of Human Services supported the intent of this bill. The Department of Education opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2500, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1143            Finance on S.B. No. 2139**

The purpose of this bill is to enhance early childhood education services provided through the Preschool Open Doors Program.

Specifically, this bill appropriates funds for fiscal year 2002-2003 to the Preschool Open Doors Program to:

- (1) Increase the number of child-care subsidies given;
- (2) Pay administrative expenses; and
- (3) Provide parent workshops to recipients of child care subsidies in each county.

The Office of the Lieutenant Governor, Good Beginnings Alliance, Hawaii Association for the Education of Young Children, and Hawaii Kids Watch testified in support of this measure. The Department of Human Services supported the intent of the measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation to \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2139, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2139, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1144            Finance on S.B. No. 2708**

The purpose of this bill is to enable affordable housing projects to be competitive in the current real estate market by allowing the Housing and Community Development Corporation of Hawaii (HCDCH) to waive the statutory three-year buyback and use restriction provisions until December 31, 2004.

HCDCH testified in support of this measure.

Your Committee has amended this bill by:

- (1) Removing the HCDCH waiver authorization and its repeal date from the statutes and placing them in the Session Laws;
- (2) Replacing the provision repealing the statutory amendments on December 31, 2004, and providing for reenactment of the statutes, with a provision repealing the Act on December 31, 2004; and
- (3) Making other technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2708, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2708, S.D. 1,

H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1145      Finance on S.B. No. 2867**

The purpose of this bill is to set Medicaid payments at a level closer to the actual costs of care provided.

Hawaii Nurses Association, Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, Hawaii Health Systems Corporation, Hawaii Medical Association, and Hawaii Long Term Care Association submitted testimony in support of this bill. The Department of Human Services (DHS) and the Department of Budget and Finance submitted testimony in opposition to this bill.

Your Committee has amended this bill by:

- (1) Deleting the requirement that DHS propose adjustments to per capita Medicaid reimbursements within the limits of appropriations and based on an increasing factor when negotiating future contracts with health plans under the QUEST program;
- (2) Changing the appropriations to \$1 to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2867, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2867, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1146      Finance on S.B. No. 2026**

The purpose of this bill is to provide for fair reimbursement to physicians and hospitals under the Medicaid program.

Specifically, this bill:

- (1) Appropriates funds to the Department of Human Services (DHS) for fiscal year 2002-2003 to increase Medicaid reimbursement rates to hospitals and physicians to cover medical services provided to participants in the Medicaid fee-for-service program; and
- (2) Increases QUEST capitation payments to cover the costs of providing services to QUEST patients.

The Healthcare Association of Hawaii, Chamber of Commerce of Hawaii, and Hawaii Health Systems Corporation testified in support of the intent of this measure. DHS and the Department of Budget and Finance testified in opposition to this bill.

Your Committee has amended this measure by:

- (1) Changing the appropriation to \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2026, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2026, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1147      Finance on S.B. No. 2568**

The purpose of this bill is to ensure that persons with limited English proficiency have full access to services provided by the State.

Specifically, this bill:

- (1) Establishes the Hawaii Commission on Language Access (Commission) to develop a statewide plan to enhance access to services for persons with limited proficiency in English;
- (2) Appropriates funds for a part-time administrator, part-time office support personnel, and necessary travel expenses for the Commission; and
- (3) Appropriates funds to the Department of Health (DOH) and Department of Human Services (DHS) to develop and implement systems by which persons with limited English proficiency can meaningfully access services consistent with the mission of DOH or DHS, respectively.

The Hawaii Civil Rights Commission, Na Loio, and Catholic Charities testified in support of this measure.

Your Committee has amended this bill by:

- (1) Inserting the appropriation amount of \$1 to facilitate further discussion for a part-time administrator, part-time office support personnel, and necessary travel expenses for the Commission;
- (2) Inserting the amount of \$1 to facilitate further discussion for DOH to develop and implement systems by which persons with limited English proficiency can meaningfully access services consistent with the mission of DOH;
- (3) Inserting the appropriation amount of \$1 to facilitate further discussion for DHS to develop and implement systems by which persons with limited English proficiency can meaningfully access services consistent with the mission of DHS;
- (4) Changing the effective date to July 1, 2002; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2568, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2568, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Moses.  
(Representative Djou voted no.)

**SCRep. 1148          Finance on S.B. No. 2769**

The purpose of this bill is to facilitate the residential- and community-based treatment of mentally ill adults by easing program participation standards for transitional facilities and those that offer semi-supervised living arrangements.

The Department of Health and United Self-Help testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2769, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1149          Finance on S.B. No. 2765**

The purpose of this bill is to streamline the process of registering divorces and annulments occurring in the State by:

- (1) Allowing the Department of Health (DOH) to continue to register divorces and annulments that are granted up through December 31, 2002, by the Family Court; and
- (2) Eliminating the requirement to register divorces and annulments with the DOH after December 31, 2002.

DOH submitted testimony in support of this bill. The Judiciary submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2765, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1150          Finance on S.B. No. 2782**

The purpose of this bill is to provide statutory authority for the Department of Health (DOH) to license hospitals, and allow hospitals to demonstrate compliance with licensing requirements through accreditation by the Joint Commission on Accreditation of Healthcare Organizations.

Testimony in support of this bill was received from DOH and Healthcare Association of Hawaii. The Office of Information Practices commented on the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1151          Finance on S.B. No. 2944**

The purpose of this bill is to maintain access to primary and preventive health care for the less fortunate by appropriating funds to ensure the continued viability of Hawaii's system of nonprofit, community-based, cost-effective health care for the uninsured.

The Healthcare Association of Hawaii, the Hawaii Primary Care Association, the Waianae Coast Comprehensive Health Center, and AlohaCare testified in support the bill. The Department of Health supported the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2944, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1152 Finance on S.B. No. 2721**

The purpose of this bill is to continue the protection of Hawaii's consumers from insolvent dental insurers by:

- (1) Extending for one year the Insurance Commissioner's authority to examine and supervise, rehabilitate, or liquidate insolvent dental insurers; and
- (2) Allow actions brought pursuant to this authority to be concluded even after the law has been repealed.

The Hawaii Medical Service Association and Hawaii Dental Service submitted testimony in support of this bill. The Insurance Commissioner submitted testimony in support of this bill and proposed amendments.

Your Committee has amended this bill by:

- (1) Changing the effective date to June 30, 2002; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2721, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2721, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1153 Finance on S.B. No. 2904**

The purpose of this bill is to appropriate an unspecified amount of funds for a second ambulance to service the Waianae Coast.

Your Committee received testimony in support of this bill from the Honolulu Emergency Services Department of the City and County of Honolulu and Waianae Coast Comprehensive Health Center. The Department of Health supported the intent of this bill.

Your Committee has amended this bill by inserting a \$1 appropriation to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2904, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2904, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1154 Finance on S.B. No. 2768**

The purpose of this bill is to better accommodate the needs of disabled persons by:

- (1) Requiring building design requirements for state and county construction projects to conform to the federal Fair Housing Amendments Act of 1988; and
- (2) Clarifying that federally-funded construction projects must meet state building design requirements if the project is administered by the State or a county.

The Disability and Communications Access Board submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1155 Finance on S.B. No. 720**

The purpose of this bill is to protect disabled individuals against discrimination by the State and the counties by incorporating the provisions of Title II of the federal American with Disabilities Act.

Specifically, this bill ensures that disabled persons have access to state and county government services, programs, and activities, including services, programs, and activities provided by or on behalf of the State or the counties by private entities.

The State Planning Council on Developmental Disabilities, Disability and Communication Access Board, Hawaii Civil Rights Commission, Aloha State Association of the Deaf, and an individual submitted testimony in support of this bill. The Attorney General Submitted testimony in support of this bill with amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 720, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1156            Finance on S.B. No. 2052**

The purpose of this bill is to:

- (1) Repeal the prohibition on the issuance of special purpose revenue bonds to not-for-profit corporations that provide health care facilities to the general public after June 30, 2003; and
- (2) Authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific Health and its not-for-profit affiliates in the acquisition or construction of health care facilities.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2052, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1157            Finance on S.B. No. 2227**

The purpose of this bill is to appropriate funds to the Department of Health (DOH) to provide dental care services to uninsured residents on the islands of Kauai, Maui, and Hawaii.

The State Planning Council on Developmental Disabilities, Hawaii Primary Care Association, Kauai Dental Health Task Force, and a concerned citizen testified in support of this measure. DOH, State Health Planning and Development Agency, and Disability and Communication Access Board testified in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2227, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Kahikina, Auwae, Stonebraker and Davis.

**SCRep. 1158            Finance on S.B. No. 3047**

The purpose of this bill is to appropriate funds for the operation of the Waipahu Community Adult Day Health Center and Youth Day Care Center pilot project.

The Department of Health supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3047, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1159            Finance on S.B. No. 2881**

The purpose of this bill is to assist the chronically ill and disabled elderly by extending to June 30, 2005, the repeal date of the demonstration project at Maluhia Hospital known as the Program for All-inclusive Care for the Elderly (PACE). This three-year extension will enable PACE to:

- (1) Obtain permanent provider status from the Centers of Medicare and Medicaid Services; and
- (2) Be included in the State's Medicaid plan as a benefit for eligible clients.

The Department of Human Services, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, and The Chamber of Commerce of Hawaii testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2881, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1160 Finance on S.B. No. 2075**

The purpose of this bill is to increase access to dental services by:

- (1) Allowing licensed dental hygienists to practice under the direct or general supervision of a licensed dentist in a public health setting;
- (2) Allowing nursing homes, adult day-care centers or assisted-living facilities, mental institutions, and nonprofit health clinics to employ licensed dental hygienists;
- (3) Specifying duties and services that may be performed by dental hygienists;
- (4) Requiring that all permissible duties of dental hygienists be prescreened and authorized by a supervising licensed dentist;
- (5) Prohibiting direct reimbursements to licensed dental hygienists;
- (6) Requiring a dental hygienist to complete a four-hour course in pharmacology and a four-hour course in medical emergencies; and
- (7) Defining "public health setting".

The Hawaii Primary Care Association supported this bill. The Board of Dental Examiners supported the intent of this bill. The Hawaii Institute for Wellness in Dentistry, Hawaii Dental Hygienists' Association, and numerous testifiers opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1161 Finance on S.B. No. 594**

The purpose of this bill is to assist neurotrauma survivors and their families by:

- (1) Establishing the Neurotrauma Advisory Board within the Department of Health (DOH) to develop programs and services related to neurotrauma;
- (2) Creating the Neurotrauma Special Fund (Special Fund) to be used for programs related to neurotrauma;
- (3) Exempting the Special Fund from government-wide pro rata shares of central service expenses and departmental administrative expenses; and
- (4) Establishing surcharges to be imposed on individuals convicted of various traffic safety offenses which are to be deposited to the credit of the Special Fund.

The State Planning Council on Developmental Disabilities, State Traumatic Brain Injury Advisory Board, Law Offices of Ian L. Mattoch, All-Star Sports and Therapy Center, Brain Injury Association of Hawaii, and numerous individuals submitted testimony in support of this bill. DOH and the Disability and Communication Access Board submitted testimony in support of the intent of this bill. The Department of Budget and Finance submitted testimony in opposition to this bill. The Judiciary and two individuals submitted comments on this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 594, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 594, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Suzuki and Davis.  
(Representatives Djou and Rath voted no.)

**SCRep. 1162 Finance on S.B. No. 3053**

The purpose of this bill is to statutorily establish the Public Health Nursing Branch Program (Program) to recognize the roles and functions of the Program in the delivery of direct clinical nursing services to the people of Hawaii.

The County of Hawaii Office of Aging, Hawaii Government Employees Association, Hawaii Early Intervention Coordinating Council, Child Welfare Services State Advisory Council, Hawaii Foster Parent Association, American Academy of Pediatrics-Hawaii Chapter, KTA Super Stores, and numerous concerned citizens testified in support of this measure. The Department of Budget and Finance testified in opposition to this measure. The Department of Health commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3053, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Davis.  
(Representatives Djou and Moses voted no.)



**SCRep. 1163 Finance on S.B. No. 2763**

The purpose of this bill is to require the Department of Health (DOH) to establish the Hawaii Birth Defects Program (Program) and to conduct birth defects studies based on information collected by the Program.

DOH, Kaiser Permanente, March of Dimes Hawaii Chapter, Hawaii Birth Defects Program Advisory Committee, Hawaii Medical Service Association, and two concerned individuals testified in support of the bill. The Christian Science Committee on Publication for Hawaii submitted comments on the measure.

Your Committee has amended this bill by:

- (1) Moving the penalty provision from the Program to a new part in chapter 324, Hawaii Revised Statutes (Birth Defects Studies); and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2763, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2763, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Suzuki and Davis.  
(Representatives Djou and Rath voted no.)

**SCRep. 1164 Finance on S.B. No. 2302**

The purpose of this bill is to establish the State Health Authority whose purpose is to be responsible for:

- (1) Developing a plan to provide state-funded health insurance for individuals with incomes up to three hundred percent of the federal poverty level to be ready for implementation on or about January 1, 2003;
- (2) Developing a plan to purchase all health care for Hawaii residents; and
- (3) Reevaluating the Prepaid Health Care Act and searching for other viable options and funding mechanisms for universal health care coverage.

Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, Kokua Kalihi Valley, Papa Ola Lokahi, and a concerned citizen submitted testimony in support of this measure. The Department of Health and AlohaCare supported the intent of this measure. Healthcare Association of Hawaii supported this measure with amendments.

The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, Department of Labor and Industrial Relations, Hawaii Insurers Council, State Farm Insurance Companies, and Hawaii Dental Service opposed this measure.

The Department of Commerce and Consumer Affairs, Department of Human Services, and Office of Information Practices submitted comments.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2302, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2302, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1165 Finance on S.B. No. 2416**

The purpose of this bill is to make long-term care services available for most of Hawaii's citizens by:

- (1) Establishing the Hawaii Long-Term Care Financing Program (Program) within the Department of Health, Executive Office on Aging (EOA);
- (2) Establishing a Board of Trustees (Board) to administer the Program and, if necessary, require the Department of Taxation to assess, levy, and collect a long-term care tax;
- (3) Requiring the Board to establish a financing method, eligibility criteria, and benefits for the Program;
- (4) Establishing the Hawaii Long-Term Care Benefits Fund for contributions to the Program;
- (5) Requiring the Board to consider an income tax-based funding mechanism; and
- (6) Requiring the Board to provide to the Legislature a detailed proposal and necessary legislation to implement the Program.

The EOA, Department of Commerce and Consumer Affairs, Hawaii State Commission on the Status of Women, Policy Advisory Board for Elder Affairs, Kokua Council, Coalition for Affordable Long Term Care, Faith Action for Community Equity, and several individuals testified in support of this measure. Healthcare Association of Hawaii and Hawaii Coalition of Care Home Administrators supported the intent of this measure.

The Chamber of Commerce of Hawaii, NAIFA Hawaii, and several individuals opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, and Legislative Information Services of Hawaii submitted comments.

Your Committee has amended this bill by, among other things:

- (1) Establishing the Board within the Department of Budget and Finance instead of EOA;
- (2) Reducing the number of trustees from seven to five;
- (3) Reducing the term of office for trustees from six years to four years and allowing reappointment for one additional four-year term;
- (4) Requiring a member of the general public to be a trustee;
- (5) Establishing benefits packages for three levels of care;
- (6) Requiring the Board to conduct a public education program to educate residents about the long-term care problem in Hawaii and the importance of long-term care financial preparation;
- (7) Requiring the Board to submit to the 2003 Legislature its proposed recommendation; and
- (8) Appropriating \$100,000 to implement the Program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2416, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2416, S.D. 2, H.D. 2.

Signed by all members of the Committee.

(Representatives Davis, Djou, Leong, Moses and Rath voted no.)

**SCRep. 1166      Finance on S.B. No. 3011**

The purpose of this bill is to:

- (1) Allow the Auditor to charge audited entities a reasonable fee for the cost of performing financial audits, including financial statement audits, audits required under federal law, and audits of special funds, revolving funds, or trust funds;
- (2) Create an Audit Revolving Fund (Fund) to be administered by the Auditor to collect moneys received to conduct audits and to pay for certified public accountants to conduct those audits;
- (3) Appropriate a one-time appropriation of \$575,000 for fiscal year 2002-2003 to be paid into the Fund;
- (4) Appropriate \$2,200,000 for fiscal year 2002-2003 from the Fund to carry out the purposes of the Fund; and
- (5) Appropriate \$2,500,000 in general funds for fiscal year 2002-2003 to conduct financial statement audits required by federal law.

The State Auditor submitted testimony in support of this bill. The Department of Education, Department of Budget and Finance, Department of Accounting and General Services, and Hawaii Government Employees Association submitted testimony in opposition to this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2024, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3011, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3011, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1167      Finance on S.B. No. 2246**

The purpose of this bill is to authorize the issuance of general obligation bonds as a grant-in-aid to Hawaii Island Veterans Memorial Inc., for plans, design and engineering, construction, and equipment for a combined veterans center in the County of Hawaii.

The Office of Veterans Services and numerous concerned individuals submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1168            Finance on S.B. No. 2819**

The purpose of this bill is to:

- (1) Convert two part-time positions of the Hawaii Paroling Authority (HPA) to full-time positions;
- (2) Appropriate funds for additional compensation, office equipment, and other related expenses for the full-time positions;
- (3) Require the position of chairperson of the HPA to be rotated every two years; and
- (4) Preclude HPA members from engaging in outside employment.

The Department of Public Safety, HPA, and Government Efficiency Teams, Inc., testified in support of this measure.

Your Committee has amended this measure by:

- (1) Inserting an appropriation of \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2819, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2819, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1169            Finance on S.B. No. 2816**

The purpose of this bill is to alleviate the teacher shortage in the State's public school system by creating the Hawaii Educator Incentive Program and Special Fund to provide financial assistance to teachers who graduate from state-approved teacher education programs in Hawaii and agree to serve within the Department of Education (DOE).

The Office of the Lieutenant Governor, DOE, Hawaii State Teachers Association, Hawaii Association of Independent Schools, Hawaii Business Roundtable, and several students testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2816, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1170            Finance on S.B. No. 2457**

The purpose of this bill is to appropriate funds to enable the Department of Anatomy and Reproductive Biology of the John A. Burns School of Medicine at the University of Hawaii (UH) to conduct research on mouse embryos to develop novel techniques for deriving mouse embryonic stem cells.

UH testified in support of the intent of this measure.

Your Committee is cognizant of the fact that embryonic stem cell research has caused a level of controversy over its use of embryos in the cultivation of stem cells. However, in testimony by UH, researchers specifically stated that one of the purposes of the funds appropriated by this measure would be to pursue alternative methods of growing stem cells without the use of an embryo. Therefore, your Committee finds that the appropriation would not only allow UH to capitalize upon its unique method of research, but also would allow for the development of more advanced and less controversial processes beneficial to mankind.

Your Committee has amended this measure by:

- (1) Inserting \$1 as an appropriation to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2457, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2457, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1171 Finance on S.B. No. 2069**

The purpose of this bill is to support educational research to formulate educational policy in Hawaii by appropriating an unspecified amount for the Hawaii Educational Policy Center to prepare and distribute original research, reports, and summaries of existing research to help policymakers make informed decisions on educational policy in Hawaii.

Your Committee has amended this measure by:

- (1) Appropriating \$1 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2069, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2069, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1172 Finance on S.B. No. 2067**

The purpose of this bill is to repeal the Hawaii Opportunity Program in Education Special Fund and transfer the remaining balance to the University of Hawaii Tuition and Fees Special Fund to recruit and retain financially needy students, particularly those from underrepresented ethnic groups.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.  
(Representative Rath voted no.)

**SCRep. 1173 Finance on S.B. No. 2184**

The purpose of this bill is to enable the University of Hawaii (UH) College of Tropical Agriculture and Human Resources (CTAHR) to conduct agricultural research, outreach, and agribusiness development activities by appropriating an unspecified amount of funds for:

- (1) Continued research and development of high-value agricultural products, biotechnology research and development, and the creation and adoption of agricultural management practices that protect Hawaii's environment; and
- (2) The development of the agribusiness incubator initiative.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaiian Commercial and Sugar Company, Pineapple Growers Association of Hawaii, Kilauea Agronomics, Limited Liability Company, Hawaii Tropical Fruit Growers, Hawaii Forest Industry Association, Tropical Hawaiian Products, Hawaii Macadamia Nut Association, Green Point Nurseries, Land Use Research Foundation of Hawaii, and Hawaii Leeward Planning Conference testified in support of this bill. Hawaiian Host, Inc. supported the intent of this measure. CTAHR, UH, and the Hawaii Agriculture Research Center offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2184, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1174 Finance on S.B. No. 2121**

The purpose of this bill is to assist the papaya industry by appropriating \$600,000, provided that the funds are matched on a one-to-one basis by federal, state, county, private, or other funding source.

Hawaii Farm Bureau Federation, Kahuku Brand Matsuda-Fukuyama Farms, Inc., and Kamiya Farm, Inc. testified in support of this measure. The Department of Agriculture supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$1 for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2121, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1175      Finance on S.B. No. 2132**

The purpose of this bill is to appropriate \$1,000,000 for agricultural research and development to be performed by the Hawaii Agriculture Research Center.

The Hawaii Agriculture Research Center, College of Tropical Agriculture and Human Resources, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Hawaii Papaya Industry Association, North Shore Farms, East Kauai Water Users' Cooperative, Hawaii Crop Improvement Association, Hawaii Leeward Planning Conference, Sweet Aloha Farms LLC, Hawaii Cattlemen's Council, Inc., Hawaiian Commercial & Sugar Company, Jeffs Farms, Gay & Robinson, Inc., Jo Ann Johnston & Co., Kula Agricultural Park Committee, and three concerned citizens supported this measure. The Department of Agriculture supported the intent of this bill.

Your Committee has amended this measure by changing the appropriation amount to \$1 to facilitate further discussion. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2132, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2132, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1176      Finance on S.B. No. 2136**

The purpose of this bill is to appropriate \$50,000 for the implementation of short-term control methods to stop the spread of fireweed, provided that the funds appropriated are matched on a one-to-one basis by federal, state, county, private, or any other source of funding.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Pineapple Growers Association of Hawaii, Maui Cattlemen's Association, and Ulupalakua Ranch, Inc., supported this measure. The Department of Agriculture supported the intent of this bill.

Your Committee has amended this measure by changing the appropriation amount to \$1 to facilitate further discussion. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2136, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2136, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1177      Finance on S.B. No. 2666**

The purpose of this bill is to create a seal of quality program for fresh and processed agricultural products which are produced within the State.

The College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, Hawaii Agricultural Research Center, Hawaii Farm Bureau Federation, Hawaii Food Industry Association, Pineapple Growers Association of Hawaii, Maui County Farm Bureau, Meadow Gold Dairies, Del Monte, and Jo Ann Johnston and Co. submitted testimony in support of this bill. The Department of Agriculture (DOA) submitted testimony in support of this bill with proposed amendments. The Department of Budget and Finance submitted comments on this bill.

Your Committee notes that DOA has proposed amendments to this bill, including requiring, rather than allowing, a nonprofit corporation contracted for this program to develop and implement marketing programs and issue licenses for the use of the seal. However, your Committee finds that these issues can be more effectively addressed by the Conference Committee.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2666, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1178      Finance on S.B. No. 2931**

The purpose of this bill is to authorize the issuance of \$40,285,000 in general obligation bonds to finance ten agricultural irrigation projects statewide and the State Agricultural Water Use and Development Plan, provided that the bond funds appropriated are matched by \$5,000,000 in federal matching funds.

The University of Hawaii College of Tropical Agriculture and Human Resources, three members of the Maui County Council, Department of Water Supply of the County of Maui, Hawaii Agriculture Research Center, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, Big Island Farm Bureau, Kauai County Farm Bureau, Maui County Farm Bureau, East Kauai Water

Users' Cooperative, Hawaii Leeward Planning Conference, Pineapple Growers Association of Hawaii, and Saiva Siddhanta Church supported this measure. The Department of Agriculture supported the intent of this bill.

Your Committee has amended this measure by changing its effective date to July 1, 2020, to facilitate further discussion. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2931, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2931, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1179 Finance on S.B. No. 2228**

The purpose of this bill is to authorize the issuance of up to \$2,300,000 in special purpose revenue bonds to assist the Hawaii Sugar & Transportation Cooperative in purchasing the sugar and molasses terminal facility at Nawiliwili, Kauai, from Gay & Robinson, Inc.

Your Committee has amended this measure by:

- (1) Authorizing the issuance of up to \$10,000,000 in special purpose revenue bonds to assist the Hawaii Macadamia Tree, Incorporated in establishing a macadamia processing and production facility on the island of Hawaii; and
- (2) Changing the effective date to June 30, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2228, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2228, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1180 Finance on S.B. No. 2438**

The purpose of this bill is to:

- (1) Promote the State's interest in reducing domestic abuse, sexual assault, and stalking; and
- (2) Prohibit employer discrimination against actual or perceived victims of domestic abuse or sexual violence while also recognizing legitimate employer interests related to the safety of all persons in the workplace.

More specifically, this measure enables victims of domestic abuse or sexual violence to maintain the financial independence necessary to leave abusive situations, achieve safety, and minimize the physical and emotional injuries from domestic abuse or sexual violence by:

- (1) Enabling a victim of domestic abuse or sexual violence to take paid or unpaid leave to:
  - (A) Seek medical treatment;
  - (B) Obtain services related to the violence;
  - (C) Obtain counseling;
  - (D) Relocate; or
  - (E) Take legal action;
- (2) Upholding the provisions of any collective bargaining agreement, employment agreement, or employment benefits plan that contains equal or greater benefits or rights regarding protection from domestic abuse or sexual violence;
- (3) Prohibiting an employer from discriminating against an employee who is a victim of domestic abuse or sexual violence; and
- (4) Allowing a victim of domestic abuse or sexual assault and the victim's minor child domiciled with the victim to obtain unemployment insurance benefits if the individual suffers a loss of employment status as a consequence of domestic abuse or sexual violence.

The Hawaii Civil Rights Commission, Hawaii State Commission on the Status of Women, and Hawaii Women Lawyers testified in support of this measure. The State Attorney General and the Department of Labor and Industrial Relations commented on this measure.

Although your Committee understands the seriousness of domestic abuse and sexual violence, your Committee is also cognizant of the fact that the ability to substitute family, medical, sick, annual, personal, or similar leave from employment for a leave of absence to be used for the purposes of seeking treatment, counseling, or other forms of assistance due to domestic abuse or sexual violence as provided for in this bill arguably relates to employee-benefit plans and may be in conflict with Hawaii's preemption provision from the

Employees Retirement Income Securities Act (ERISA). Nevertheless, your Committee feels that this subject matter is extremely important and deserves further consideration and discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Davis.

**SCRep. 1181            Finance on S.B. No. 2043**

The purpose of this bill is to:

- (1) Establish the temporary Hanai Adoption Advisory Task Force (Task Force) to study the legal issues of integrating the practice of hanai into statutory law and to propose legislation during the regular session of 2004; and
- (2) Appropriate funds for Task Force expenses.

The Office of Hawaiian Affairs and Volunteer Legal Services Hawaii testified in support of this measure. The Department of Human Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2043, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1182            Finance on S.B. No. 2737**

The purpose of this bill is to extend immunity to public and private agencies and entities engaged in civil defense functions including the various branches of the military, the national guard, public utilities, and private entities.

The Department of Business, Economic Development, and Tourism, Honolulu Police Department, Hawaii Hotel Association, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in support of this measure. The Department of Defense supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2737, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1183            Finance on S.B. No. 2817**

The purpose of this bill is to repeal administrative rules that are either null and void or unnecessary.

The Office of the Lieutenant Governor, Department of Education, Department of Commerce and Consumer Affairs, and Department of Land and Natural Resources testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2817, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1184            Finance on S.B. No. 2750**

The purpose of this bill is to broaden the use of the Native Hawaiian Rehabilitation Fund (NHRF) to allow NHRF-supported programs and services to be provided to native Hawaiian groups, including families and Hawaiian homestead communities.

The Department of Hawaiian Home Lands testified in support of this measure.

Your Committee has amended this measure by changing the effective date from February 30, 2050, to upon its approval to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2750, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2750, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1185            Finance on S.B. No. 2682**

The purpose of this bill is to appropriate funds to satisfy claims against the State for refunds of taxes, judgments, settlements, and miscellaneous claims.

The Attorney General supported this measure. The University of Hawaii (University) supported this measure with requested amendments.

Your Committee has amended this measure by:

- (1) Appropriating funds out of the University Commercial Enterprises Revolving Fund to satisfy claims against the University for payments of judgments, settlements, or other liabilities; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2682, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1186      Finance on S.B. No. 2476**

The purpose of this bill is to promote the effective management of the ceded lands trust by:

- (1) Establishing an amount that represents the portion of the income and proceeds from the ceded lands trust to be expended by the Office of Hawaiian Affairs (OHA) for the betterment of native Hawaiians;
- (2) Extending the lapse date of funds previously appropriated under Act 125, Session Laws of Hawaii (SLH) 2000, and Act 165, SLH 2001, to June 30, 2003; and
- (3) Providing additional guidance to the Auditor relating to the identification and catalogue of land in the Auditor's efforts to establish the information system under Act 125, SLH 2000.

OHA supported the intent of this measure. The Department of Budget and Finance opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2476, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2476, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1187      Finance on S.B. No. 2477**

The purpose of this bill is to enable the Office of Hawaiian Affairs (OHA) to fund initiatives to benefit native Hawaiians by:

- (1) Clarifying OHA's authority to award grants;
- (2) Establishing qualifications and standards for evaluating and awarding OHA grants; and
- (3) Appropriating interim revenues.

OHA and the State Procurement Office testified in support of this measure. The Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

- (1) Removing the appropriation; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2477, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2477, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1188      Finance on S.B. No. 3060**

The purpose of this bill is to appropriate an unspecified amount of funds to provide bicycle safety education classes to every fourth grade student in the State of Hawaii.



The Department of Transportation, Department of Parks and Recreation of the County of Hawaii, City and County of Honolulu, Peoples Advocacy for Trails Hawaii, Honolulu Mayor's Advisory Committee on Bicycling, and three concerned citizens supported this bill. The Department of Education (DOE) supported the intent of this measure.

Your Committee supports initiatives to protect children who ride bicycles by promoting safety awareness and education related to safe riding techniques. Your Committee recognizes, however, that DOE, while supporting the intent of this bill, remains concerned as to whether the bicycle safety classes being funded by this measure can be offered outside of the regular school day schedule. Your Committee supports future legislative efforts to address this concern.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3060, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1189            Finance on S.B. No. 2422**

The purpose of this bill is to increase the time period between mandatory safety inspections from six months to one year for certain vehicles that require such an inspection.

The Hawaii Transportation Association, Department of Transportation, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Catrala Hawaii testified in support of this measure. The Division of Motor Vehicles of the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

- (1) Removing school buses and trolleys operated by a person or entity subject to chapter 271, Hawaii Revised Statutes (HRS), from the one-year inspection requirement; and
- (2) Removing buses operated by persons or entities not subject to chapter 271, HRS, from the one-year inspection requirement;

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2422, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2422, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1190            Finance on S.B. No. 2488**

The purpose of this bill is to enable the counties to continue to administer the program to issue parking placards to qualified persons with disabilities (program) by:

- (1) Increasing the annual motor vehicle registration fee (registration fee) from \$20 to \$20.70;
- (2) Establishing the Parking for Persons with Disabilities Special Fund (Fund);
- (3) Requiring that 70 cents of the registration fee be deposited into the Fund to finance the program; and
- (4) Appropriating \$600,000 from the Fund for fiscal year 2002-2003 to carry out the program.

The Disability and Communication Access Board, the Honolulu Police Department, and the City and County of Honolulu Department of Customer Services testified in support of this measure.

Your Committee finds that the moneys to finance the program should be taken from the existing registration fee. Accordingly, your Committee has:

- (1) Deleted the proposed increase in the registration fee; and
- (2) Reduced the amount earmarked for the Highway Fund from \$20 to \$19.30.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2488, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1191            Finance on S.B. No. 3049**

The purpose of this bill is to provide an alternative mode of transportation to alleviate the traffic congestion in West Oahu by authorizing the issuance of special facility revenue bonds to construct facilities for a ferry service between West and East Oahu.

The Department of Transportation and Ford Island Development Group, LLC, supported this bill. The Department of Budget and Finance commented on this measure.

Your Committee has amended this measure by:

- (1) Correcting the statutory reference for the issuance of special facility revenue bonds; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3049, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3049, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1192          Finance on S.B. No. 2306**

The purpose of this bill, as received, is to provide economic relief to airport concessionaires and to finance costs related to implementing new security measures at state airports.

Specifically, this bill:

- (1) Provides relief beyond April 30, 2002, for airport concessions suffering from the terrorist events of September 11, 2001;
- (2) Allows airport concessions suffering from those events but whose concession agreements are terminated due to a new concession operator, to recover their bonds and deposits and not be barred from doing business with the State for five years as provided by present law;
- (3) Prohibits concessions suffering losses or damages due to such termination from making any claim for damages or losses against the State;
- (4) Provides a mechanism to allow concessions to obtain a revocable permit if necessary in light of a natural disaster or continuing adverse economic condition; and
- (5) Establishes a passenger facility charge to finance costs related to implementing new security measures at state airports.

The Airport Concessionaires Committee, State Committee of Blind Vendors, Avis Rent A Car Systems, Inc., Dollar Rent A Car Systems, Inc., Host International, DFS Pacific, National Car Rental, Alamo Rent A Car, Catrala-Hawaii, and numerous representatives of Greeters of Hawaii testified in support of the intent of this bill. The Department of Transportation testified in opposition to this bill. The Airlines Committee of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Eliminating the provisions allowing airport concessions suffering from the impact of the events of September 11th whose concession agreements are terminated due to new concessionaires to recover their bonds and deposits; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2306, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2306, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1193          Finance on S.B. No. 3028**

The purpose of this bill is to regulate warrantors of vehicle protection products.

The National Vehicle Protection Association submitted testimony in support of this bill. The Department of Commerce and Consumer Affairs submitted testimony in opposition to this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3028, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3028, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1194          Finance on S.B. No. 2805**

The purpose of this bill is to delete the requirement that all contributions, moneys, and funds received by a soil and water conservation district be deposited into the General Fund.

The Department of Land and Natural Resources submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1195            Finance on S.B. No. 2667**

The purpose of this bill is to give the Board of Land and Natural Resources greater flexibility in leasing public lands for historic preservation and restoration projects by deleting the requirement that the lands be leased for "urban" projects.

The Department of Land and Natural Resources supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2667, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1196            Finance on S.B. No. 2242**

The purpose of this bill is to allow the Board of Land and Natural Resources (BLNR) to extend the term of an agricultural or industrial lease.

Specifically, this bill:

- (1) Allows the lessee to amortize the cost of substantial improvements to the property without institutional financing;
- (2) Authorizes BLNR to extend the term of an agricultural or industrial lease due to significant economic hardship directly caused by a state disaster or eminent domain-related proceedings;
- (3) Authorizes BLNR to extend or modify a lease affected by eminent domain-related proceedings, provided that BLNR determines that the lessee will not be adequately compensated pursuant to the lease provisions; and
- (4) Requires that the length of any lease extension resulting from economic hardship shall not exceed five years.

The Hawaii Farm Bureau Federation and a member of the Maui County Council testified in support of this measure. BLNR commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2242, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1197            Finance on S.B. No. 2802**

The purpose of this bill is to support and promote the development of renewable energy sources by authorizing the Board of Land and Natural Resources to lease public lands, through direct negotiation, to renewable energy producers.

The Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, Life of the Land, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and an individual supported this bill.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2802, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2802, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1198            Finance on S.B. No. 2804**

The purpose of this bill is to attract viable tenants by providing the Board of Land and Natural Resources (Board) more flexibility in leasing public lands. Specifically, this measure authorizes the Board to waive the requirement to obtain Board consent for subleases under public land leases.

The Department of Land and Natural Resources supported this measure.

Your Committee has amended this bill to:

- (1) Ensure that the provision relating to the lease of public lands for piers, section 171-36(a)(9), Hawaii Revised Statutes (HRS), will be reenacted as provided by Act 261, Session Laws of Hawaii 2000 (Act 261);
- (2) Retain technical amendments to section 171-36(a), HRS, made by Act 261; and
- (3) Make other technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2804, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2804, H.D. 1.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1199      Finance on S.B. No. 2810**

The purpose of this bill is to provide the State with the flexibility to develop specific public lands that contain endangered species while utilizing safe harbor agreements and habitat conservation plans to manage these endangered species.

This bill expands the definition of "landowner" as it pertains to safe harbor agreements and habitat conservation plans to include public lands limited to three specific development projects:

- (1) North-South Road, Ewa, Oahu;
- (2) Cyanotech Corporation incidental take permit and habitat conservation plan; and
- (3) Kealahou planned community.

This bill also clarifies that confidentiality protection is intended for private lands.

The Conservation Council of Hawaii and two members of the Maui County Council testified in support of this measure. The Department of Land and Natural Resources, Earthjustice, and Life of the Land supported the intent of this bill. The Housing and Community Development Corporation of Hawaii, the Estate of James Campbell, Sierra Club, Hawaii Chapter, and the University of Hawaii Environmental Center offered comments. Land Use Research Foundation of Hawaii, The Nature Conservancy of Hawaii, and Hawaii Leeward Planning Conference opposed this measure.

Your Committee has amended this bill by providing a more complete description of the North-South Road project to include references to the Kapolei Parkway.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2810, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2810, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1200      Finance on S.B. No. 2702**

The purpose of this bill is to transfer responsibility for the Kalaeloa Community Development District to the Hawaii Community Development Authority and provide the resources necessary to conduct drainage and traffic studies, and cover operating and staffing costs.

The Hawaii Community Development Authority, Barbers Point Naval Air Station Redevelopment Commission, Department of Business, Economic Development, and Tourism, and a concerned individual testified in support of the bill. The Department of Hawaiian Home Lands supported the intent of the measure. The University of Hawaii submitted comments on the bill. An individual opposed this measure.

Your Committee has amended this bill by:

- (1) Allowing the revolving fund to receive an initial general fund appropriation;
- (2) Updating tax map key numbers and providing geographical boundary descriptions for the Kalaeloa Community Development District; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2702, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1201 Finance on S.B. No. 2007**

The purpose of this bill is to address the mandate in article XI, section 3, of the State Constitution by:

- (1) Establishing standards, criteria, and a process for the identification and management of important agricultural lands;
- (2) Promoting the usage of rural land use districts as a buffer zone between development pressures and agricultural lands; and
- (3) Defining permissible uses within the rural land use district.

This bill also authorizes the counties to permit home occupations in the agricultural district without requiring a state special permit.

The Office of Planning, the Department of Agriculture, and the Hawaii Farm Bureau Federation testified in support of this measure. The County of Hawaii Planning Department offered comments. The City and County of Honolulu Department of Planning and Permitting, Estate of James Campbell, Alexander and Baldwin, Inc., Land Use Research Foundation of Hawaii, Hawaii Leeward Planning Conference, Hawaii's Thousand Friends, Sierra Club, Hawaii Chapter, and one individual opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring that there shall be a rebuttable presumption that a project is not intended for farm dwellings and is not agricultural when it contains the following characteristics:
  - (a) Houses with pools, outdoor jacuzzis, or tennis courts;
  - (b) Gated or limited entry that restricts access to the general public;
  - (c) Houses situated along golf course fairways;
  - (d) Covenants that restrict agricultural practices; or
  - (e) House prices that exceed the median price of houses in the State;
- (2) Specifying that the presumption may be rebutted with evidence demonstrating that agriculture is a real and significant component of each lot and that crop production can pay for mortgage costs;
- (3) Specifying that if the counties identify additional agricultural lands to be protected, bona fide farmers on these lands shall be eligible to apply for business-related and real property tax-related agricultural incentives or programs that are available to farmers on important agricultural lands;
- (4) Allowing educational ecotourism as a commercial or recreational activity accessory to agriculture in the agricultural district;
- (5) Clarifying that any land use petition that is pending prior to April 1, 2002, shall not be subject to the provisions of this bill;
- (6) Inserting a purpose section that clarifies the Legislature's intent to fulfill the mandate of article XI, section 3, of the State Constitution; and
- (7) Making technical, nonsubstantive amendments to correct drafting errors.

Your Committee further amended the provisions relating to the evidence of bona fide agricultural use that must be provided when an applicant proposes to create two or more farm dwellings or lots on lands in the agricultural district by:

- (1) Increasing the required number of evidences from two to three;
- (2) Including as evidence of agricultural intent, various instruments of conveyance that require lot purchasers to maintain land in agricultural use in conformity with laws and rules;
- (3) Combining both an agricultural business plan and agricultural feasibility studies as a single evidence; and
- (4) Specifying that evidence of crops in cultivation and the verification of income from agricultural product sales grown on the affected land shall be considered as separate evidences.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2007, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2007, S.D. 2, H.D. 2.

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

**SCRep. 1202 Finance on S.B. No. 3010**

The purpose of this bill is to enable individuals who:

- (1) After June 30, 2002, have at least 10 years of credited service as a firefighter and are deemed permanently medically disqualified to be a firefighter by the employer's physician; and
- (2) Continue employment in a class A or B contributory position other than a firefighter,

to have a retirement allowance of 2.5 percent of the individual's average final compensation for the individual's years of service as a firefighter only.

The Department of Human Resources of the City and County of Honolulu submitted testimony in support of the intent of this bill. The Employees' Retirement System submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3010, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1203 Finance on S.B. No. 2078**

The purpose of this bill is to require the Employees' Retirement System (ERS) to pay interest on pensions that are not processed and issued on or before the ninetieth day after the date of a member's retirement.

The ERS opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2078, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1204 Finance on S.B. No. 2715**

The purpose of this bill is to simplify and facilitate the administration and processing of pension benefits by the Employees' Retirement System (ERS) by, among other things:

- (1) Allowing a pensioner's beneficiary to receive a full rather than a prorated monthly pension for the month in which the pensioner dies;
- (2) Providing for monthly instead of semimonthly benefit payments to individuals who retire or become beneficiaries after January 1, 2003;
- (3) Authorizing the ERS to require state or county departments or agencies to furnish information to the ERS;
- (4) Extending from 90 days to 150 days, the period to file a written application specifying the day of retirement;
- (5) Providing that retirement is effective on the first day of the month; and
- (6) Simplifying the computation of retirement service credits and average final compensation.

The Department of Budget and Finance and ERS testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2715, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1205 Finance on S.B. No. 2784**

The purpose of this bill is to provide employers more time to file their year-end workers' compensation payment reports with the Director of Labor and Industrial Relations by changing the filing deadline from December 31<sup>st</sup> to January 31<sup>st</sup>.

The Department of Labor and Industrial Relations testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2784, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1206      Finance on S.B. No. 2757**

The purpose of this bill is to continue efforts to reform the civil service system by extending the sunset date for the Separation Incentive Program to June 30, 2008.

The Department of Human Resources Development offered comments.

Your Committee has amended this measure by:

- (1) Clarifying that the compensation of employees excluded from collective bargaining and whose pay is presently set by a salary commission shall continue to be set by the salary commission; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2757, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2757, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1207      Finance on S.B. No. 2964**

The purpose of this bill is to encourage community service and volunteer participation by:

- (1) Statutorily establishing the Hawaii Commission for National and Community Service (Commission); and
- (2) Transferring the functions and programs from the temporary Commission created by Executive Order 94-1 from the Department of Labor and Industrial Relations (DLIR) to the University of Hawaii (UH).

The Commission and UH testified in support of this measure with amendments. The Department of Human Services, Department of Education, and Hawaii Government Employees Association supported the intent of this bill. DLIR offered comments.

Your Committee has amended this bill by:

- (1) Clarifying the provisions relating to the transfer of the executive director position from DLIR to UH;
- (2) Deleting the appropriation section; and
- (3) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2964, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2964, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1208      Finance on S.B. No. 2111**

The purpose of this bill is to allow negotiating parties to agree that non-cost items are valid and enforceable through written agreement.

The Hawaii Government Employees Association submitted testimony in opposition of this measure. The Office of Collective Bargaining submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2111, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1209      Finance on S.B. No. 2112**

The purpose of this bill is to improve the collective bargaining process by:

- (1) Eliminating fact-finding as a means for resolving an impasse between a public employer and an exclusive representative; and
- (2) Moving up the deadline for declaring an impasse in order to give the Legislature time to approve or reject the cost-items in a collective bargaining agreement before adjourning sine die.

Specifically, this bill:

- (1) Requires the Hawaii Labor Relations Board (Labor Board) to declare an impasse by January 31 of the year in which a collective bargaining agreement is due to expire, rather than by April 15 of an even-numbered year;

- (2) Allows the Labor Board to compel a public employer and an exclusive representative to attend mediation after the 20th day of an impasse and until the 50th day of an impasse;
- (3) Requires the Labor Board to inform the appropriate legislative bodies, on or about the 50th day of an impasse, that mandatory mediation has failed to resolve the impasse;
- (4) Allows a public employer and an exclusive representative, after the 50th day of an impasse, to resort to such other remedies that are not prohibited by any agreement pending between them, other provisions of the collective bargaining law, or any other law;
- (5) Requires an exclusive representative to give a statement of its position on all remaining issues in dispute to a public employer and the Labor Board when the exclusive representative gives its ten-day notice of intent to strike; and
- (6) Requires a public employer, within three days of receipt of a notice of intent to strike, to submit its position on the remaining issues in dispute that are included in the statement transmitted by the exclusive representative with its notice of intent to strike.

The Hawaii State Teachers Association testified in support of this measure. The Office of Collective Bargaining testified in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2112, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1210      Finance on S.B. No. 23**

The purpose of this bill is to provide an unspecified number of days of paid leave of absence to state and county employees who are certified American Red Cross disaster volunteers who perform certain disaster relief services.

Hawaii Nurses' Association and the American Red Cross, Hawaii State Chapter testified in strong support of this measure.

Your Committee has amended this bill by:

- (1) Changing the reference to Chapter 79 to Chapter 127; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 23, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 23, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1211      Finance on S.B. No. 2127**

The purpose of this bill is to provide special compensation payments to state and county retirees aged 70 years and older with at least 20 years of service, with compensation adjustments made every five years.

The Hawaii Government Employees Association and the Oahu Retired Teachers Association supported this measure. The Employees' Retirement System commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2127, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2127, H.D. 1.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou and Rath voted no.)

**SCRep. 1212      Finance on S.B. No. 2787**

The purpose of this bill is to raise the minimum guaranteed monthly compensation for those exempted from the State's Wage and Hour Law from \$1,250 to \$2,000.

The Department of Labor and Industrial Relations testified in support of this measure.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2787 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1213      Finance on S.B. No. 2669**

The purpose of this bill is to authorize the issuance of up to \$55,000,000 in special purpose revenue bonds to assist Pacific Wind Energy LLC in the construction of three wind energy conversion systems facilities on the islands of Maui and Hawaii.

Pacific Wind Energy LLC supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2669, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1214      Finance on S.B. No. 2900**

The purpose of this bill is to appropriate funds to continue the Emergency Environmental Workforce that employs individuals who lost their jobs because of the September 11, 2001 terrorist attacks, to combat pestilent plants and other organisms.

The Department of Land and Natural Resources, County of Maui, Research Corporation of the University of Hawaii, Hawaii's Thousand Friends, Maui Invasive Species Committee, Coordinating Group on Alien Pest Species, and several concerned citizens testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2900, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1215      Finance on S.B. No. 2615**

The purpose of this bill is to implement the recommendations of the Energy Efficiency Policy Task Force regarding the most cost-effective means of supporting increased energy efficiency and sustainability in Hawaii.

Testimony in support of this bill was received from the Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Building Industry Association of Hawaii, Inter-Island Solar Supply, R&R Solar Supply, and PowerLight Corporation. The Department of Business, Economic Development, and Tourism supported the intent of the bill.

The Department of Taxation and Department of Budget and Finance opposed this measure. The Public Utilities Commission, Tax Foundation of Hawaii, The Gas Company, and Energy Efficiency Policy Task Force commented on this measure.

Your Committee has amended this bill by replacing its contents with the substance of a similar measure, H.B. No. 2836 H.D. 2. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2615, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2615, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1216      Finance on S.B. No. 2774**

The purpose of this bill is to protect and improve the quality of state waters.

Specifically, this bill:

- (1) Expands the categories of parties eligible to receive loans from the Drinking Water Treatment Revolving Fund and the Water Pollution Control Revolving Fund programs to include private persons; and
- (2) Establishes the Wastewater Systems Special Fund (Special Fund) but excludes, from the fees to be deposited into the Special Fund, any fees for the National Pollutant Discharge Elimination System, water quality certification, or loan programs.

The Department of Health testified in support of this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision for the establishment of the Special Fund; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2774, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2774, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1217      Finance on S.B. No. 3063**

The purpose of this bill is to support programs of the Department of Land and Natural Resources (DLNR) that benefit the environment by establishing a program to develop environmentally-themed products for sale to the public and from which the revenues are to be deposited into the Natural Area Reserve Fund.

Hawaii's Thousand Friends submitted testimony in support of this bill. DLNR submitted testimony in support of this bill with amendments.

Your Committee has amended this bill by clarifying that products developed under the new program shall require the approval of the chair of the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3063, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3063, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1218      Finance on S.B. No. 484**

The purpose of this bill is to authorize the issuance of \$25,000,000 in special purpose revenue bonds for the purpose of assisting Hilo Coast Power Company, a Hawaii corporation, in the planning, design, and construction of a waste-to-energy facility at Pepeekeo on the island of Hawaii.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 484, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 484, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1219      Finance on S.B. No. 2505**

The purpose of this bill is to strengthen the process for preparing environmental assessments (EAs) and environmental impact statements (EISs) by:

- (1) Addressing an apparent conflict of interest when an agency makes a determination whether its proposed action requires an EIS. This bill authorizes the Office of Environmental Quality Control (OEQC) to review the determination, consult with the agency, and make a final determination; and
- (2) Requiring the preparation of EAs for actions that propose any wastewater facility, waste-to-energy facility, landfill, oil refinery, or power-generating facility.

OEQC and Hawaii's Thousand Friends testified in support of this measure. Covanta Energy Group offered comments. The City and County of Honolulu Department of Planning and Permitting opposed this measure.

Your Committee finds that there is a need to address the apparent conflict of interest. However, there are also legitimate concerns regarding the increased State oversight of county functions that this bill creates.

Accordingly, your Committee has amended this bill by inserting an effective date of June 30, 2020, for the purpose of continued discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2505, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2505, S.D. 1, H.D. 2.

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

**SCRep. 1220      Finance on S.B. No. 2179**

The purpose of this bill is to:

- (1) Improve energy management by State agencies;
- (2) Require the Department of Business, Economic Development, and Tourism (DBEDT) to determine the maximum wholesale price of gasoline, on a quarterly basis, based on certain criteria, including the cost of a barrel of site-specific crude oil;
- (3) Prohibit petroleum manufacturers and jobbers from selling gasoline to a dealer operated retail service station for more than the maximum wholesale price;
- (4) Allow a manufacturer or jobber to petition DBEDT to readjust the maximum wholesale price of gasoline in the event of an abrupt change in crude oil prices in the world market; and
- (5) Provide for treble damages or \$500,000, whichever is greater, for violations by manufacturers or jobbers.

The Office of Environmental Quality Control and Hawaii Automotive Repair & Gasoline Dealers Association supported this measure. DBEDT, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported the intent of this bill. The Department of Accounting and General Services, Chevron Texaco Corporation, and Western States Petroleum Association opposed this measure.

Your Committee notes that the procurement provisions relating to energy resources under Part I of this bill appear to conflict with current law. Your Committee intends to continue working with the State Procurement Office to address these concerns as this measure moves into Conference.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2179, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representatives Djou and Moses voted no.)

**SCRep. 1221      Finance on S.B. No. 2266**

The purpose of this bill is to promote recycling by:

- (1) Increasing participation and recycling rates for specified deposit beverage containers;
- (2) Providing a connection between manufacturing decisions and recycling program management; and
- (3) Reducing litter.

Specifically, this measure establishes a deposit beverage container program that, among other things:

- (1) Imposes a two-cent deposit beverage container fee on beverage container manufacturers or importers;
- (2) Requires a five-cent deposit beverage container refund fee for specified glass, plastic, and metal beverage containers of 64 ounces or less; except those sold for on-premise consumption;
- (3) Pays a certified redemption center a handling fee of not less than 2 cents for each deposit beverage container redeemed by a consumer and transported out-of-state or received by an in-state recycling company;
- (4) Establishes redemption centers to accept empty deposit beverage containers intended to be recycled;
- (5) Authorizes for reverse vending machines that accept one or more types of empty deposit beverage containers and issue a redeemable credit slip; and
- (6) Establishes a special fund into which will be deposited deposit beverage container fees and deposit beverage container deposits to be used to reimburse refund values and pay handling fees to redemption centers, among other specified uses.

The Department of Health (DOH), Office of Environmental Quality Control, Environmental Center of the University of Hawaii, Office of the Mayor of Kauai, County of Hawaii, Department of Environmental Services of the City and County of Honolulu, a council member of the County of Kauai, Koolau News, Life of the Land, Hawaii's Thousand Friends, Sierra Club, Pacific Action Alliance, Recycle Hawaii, and numerous individuals supported this measure.

The Tax Foundation of Hawaii commented on this measure. The Grocery Manufacturers of America, Coca-Cola Bottling Company of Hawaii, Pacific Allied Products, Ltd., Anheuser Busch Companies, Hawaii Citizens for Comprehensive Recycling, Pepsi-Cola Bottling Company of Hawaii, and Hawaii Food Industry Association opposed this measure.

Your Committee has amended this measure by:

- (1) Correcting a technical error by changing the title back to its original form: "RELATING TO RECYCLING";

- (2) Clarifying that the name of the recycling program established in this bill is the Deposit Beverage Container Program (Recycling Program);
- (3) Changing:
  - (A) The deposit beverage container fee from 2 cents to 1 cent;
  - (B) The refund fee from 5 cents to 4 cents; and
  - (C) The handling fee from 2 cents to 1 cent;
- (4) Extending the period during which the deposit beverage container fee cannot be increased from five years to seven years;
- (5) Changing the reporting period to 30 days after the month of record;
- (6) Requiring the reports to DOH to include the size and type of the beverage container and the amount of deposit fees and refund value by size and type of container;
- (7) Requiring beverage distributors to charge dealers and consumers the deposit beverage container fee at the point of sale;
- (8) Requiring invoices to include the beverage container fee as a separate line item, and allowing the container fee and refund fee to be combined in the line item;
- (9) Extending the radius of the redemption centers to five miles for high and non-high density population areas;
- (10) Repealing part VII of chapter 342G, Hawaii Revised Statutes, the advance glass disposal fee law, since its purpose is substantially accomplished by the Recycling Program;
- (11) Changing the name of the special fund to the Deposit Beverage Container Program Special Fund;
- (12) Repealing the section exempting the Special Fund from the central service expenses charge;
- (13) Requiring the Auditor to submit annually to the Legislature a management and financial audit report on the Recycling Program;
- (14) Commencing the Recycling Program on January 1, 2005;
- (15) Changing the effective date to July 31, 2050; and
- (16) Making numerous technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2266, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2266, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1222          Finance on S.B. No. 2635**

The purpose of this bill is to:

- (1) Repeal redundant tourism laws; and
- (2) Statutorily clarify the duties of the Hawaii Tourism Authority (HTA) relating to tourism development and marketing.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2635, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Suzuki and Davis.

**SCRep. 1223          Finance on S.B. No. 2331**

The purpose of this measure is to appropriate \$200,000 to carry out the functions of the Fiftieth Anniversary Commemoration of the Korean War Commission.

The 5<sup>th</sup> Regimental Combat Team, Korean War Veterans, Hawaii; Korean & Vietnam War Memorial Dedication; 50<sup>th</sup> Anniversary Commemoration of the Korean War Steering Committee; Old Soldiers Reunion; Aloha Chapter of the Chosin Few, Inc.; Korean War Veterans Association, Hawaii Chapter #1; and several concerned citizens supported this measure. The Department of Defense supported the intent of this measure.

Your Committee has amended this measure by changing the appropriation amount to \$1 to facilitate further discussion. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2331, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2331, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1224            Finance on S.B. No. 2382**

The purpose of this bill is to appropriate funds to establish a National Korean War Museum.

Many concerned individuals submitted testimony in support of this measure. The Department of Defense and Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Inserting an appropriation amount of \$1 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2382, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2382, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1225            Finance on S.B. No. 2709**

The purpose of this bill is to authorize the right to market, manage, operate, use, and maintain the Hawaii Convention Center to the Hawaii Tourism Authority (HTA). In addition, this bill:

- (1) Establishes the Convention Center Enterprise Special Fund (Enterprise Special Fund);
- (2) Establishes the Convention Center Facility Reserve Special Fund (Reserve Special Fund);
- (3) Appropriates \$40,300,000 out of the Enterprise Special Fund to be expended by the HTA for the purposes of this bill;
- (4) Appropriates \$3,000,000 out of the Enterprise Special Fund to be deposited into the Reserve Special Fund;
- (5) Appropriates \$3,000,000 out of the Reserve Special Fund to be used for the purposes of the Reserve Special Fund;
- (6) Defines "convention center facility" and "convention center"; and
- (7) Clarifies that the Convention Center Authority has been repealed as of June 30, 2000.

The Department of Business, Economic Development, and Tourism, HTA, and Hawaii Hotel Association supported this measure. Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing to \$1,000,000 the amount of funds appropriated out of the Enterprise Special Fund and deposited into the Reserve Special Fund;
- (2) Changing to \$1,000,000 the amount of funds appropriated out of the Reserve Special Fund to be used for the purposes of the Reserve Special Fund; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2709, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1226            Finance on S.B. No. 2350**

The purpose of this bill is to improve the linkage between tourism and the state park system by earmarking a portion of Transient Accommodation Tax (TAT) revenues deposited into the Tourism Special Fund to supplement the state park system. Specifically, this bill:

- (1) Caps the amount of TAT revenues deposited into the Tourism Special Fund at \$61,000,000
- (2) Requires the TAT revenues in excess of \$61,000,000 that are distributed to the Tourism Special Fund in any fiscal year to be disbursed as follows:
  - (A) 90 percent into the State Parks Special Fund; and
  - (B) 10 percent into the Hawaii Statewide Trail and Access Program;
 Up to a maximum amount of \$2,000,000 per fiscal year;
- (3) Requires the Hawaii Tourism Authority (HTA) to expend at least \$1,000,000 from the Tourism Special Fund annually to support the management, improvement, and protection of Hawaii's environment and areas visited frequently by visitors; and
- (4) Requires the Department of Land and Natural Resources (DLNR) to develop a master plan in coordination with HTA for the expenditure of the excess TAT revenues.

DLNR, a member of the Kauai County Council, Trust for Public Land, Maui Hotel Association, Hawaii Chapter of the Sierra Club, and Hawaii's Thousand Friends submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, Visitor Industry Coalition, and the Chamber of Commerce of Hawaii submitted testimony in support of the intent of this bill. HTA and the Kauai Chamber of Commerce submitted testimony in opposition to this bill. Tax Foundation of Hawaii submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Establishing the Transient Accommodations Tax Trust Fund (Trust Fund) to serve as a holding account to ensure that the Tourism Special Fund receives at least \$64,292,000 annually;
- (2) Requiring 5.3 percent of annual TAT revenues to be deposited into the Trust Fund;
- (3) Specifying that any funds remaining in the Trust Fund at the end of the fiscal year, or when the Tourism Special Fund receives at least \$64,292,000 in TAT revenues during a given fiscal year, shall be deposited in the general fund;
- (4) Reducing the percentage of annual TAT revenues to be deposited into the Tourism Special Fund from 37.9 to 32.6 percent;
- (5) Deleting the Requirement that HTA expend at least \$1,000,000 from the Tourism Special Fund annually to support the management, improvement, and protection of Hawaii's environment and areas visited frequently by visitors;
- (6) Removing the cap on TAT revenues that may be deposited into the Tourism Special Fund;
- (7) Deleting the purpose section; and
- (8) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2350, S.D. 2, H.D. 2.

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

**SCRep. 1227      Finance on S.B. No. 2094**

The purpose of this bill is to:

- (1) Make permanent the provisions of, and simplify the administrative costs and burdens associated with Hawaii's Prompt Payment Law (Act 99, Session Laws of Hawaii 1999); and
- (2) Eliminate the confusion and reduce the costs of complying with the law for health plans and physicians.

More specifically, this bill, among other things:

- (1) Removes the sunset date of the Health Insurance Reimbursement Act;
- (2) Clarifies that a notice to a provider of a denied or contested claim is not required if the entity provides a monthly reimbursement report to the provider;
- (3) Requires the entity to provide to providers a system to verify enrollee eligibility;
- (4) Limits the requirement of paying interest on a delayed clean claim to interest that accrues in a sum of at least \$2; and
- (5) Defines the term "clean claim".

The Hawaii Medical Service Association and the Hawaii Medical Association testified in support of this measure. The Department of Commerce and Consumer Affairs commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2094, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Espero and Davis.

**SCRep. 1228            Finance on S.B. No. 2729**

The purpose of this bill is to:

- (1) Correct statutory references throughout the Hawaii Revised Statutes relating to business corporation and nonprofit corporation laws; and
- (2) Clarify that business entity fees may be adjusted without regard to rulemaking.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2729, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1229            Finance on S.B. No. 2730**

The purpose of this bill is to expand and clarify the State's business merger laws.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2730, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1230            Finance on S.B. No. 2732**

The purpose of this bill is to encourage the retention and formation of business entities in Hawaii by updating and clarifying Hawaii's business registration laws. This bill, among other things:

- (1) Allows for the appointment of a trustee or receiver to dispose of a dissolved corporation's property;
- (2) Permits corporations to use electronic means of communication as an alternative to in-person shareholder meetings;
- (3) Clarifies that the board of directors of a Hawaii corporation may prohibit the exercise of stock rights, options, and warrants by a stockholder holding a specific percentage of the common stock of the corporation;
- (4) Increases clarity of the new nonprofit corporations law, addresses concerns of the Real Estate Section of the Hawaii State Bar Association, and relieves timeshare associations from members list requirements related to membership meetings;
- (5) Requires all registered business entities to appoint a registered agent;
- (6) Establishes an annual filing requirement that is based upon the date of an entity's original registration;
- (7) Makes uniform the standard for the administrative dissolution of registered entities;
- (8) Clarifies that general partnerships and limited liability partnerships are not separate entities;
- (9) Reconciles inconsistencies between state law and federal law regarding a nonprofit corporation member's right to inspect and receive copies of a membership list;
- (10) Allows a voting proxy to be valid for more than three years if provided for in a nonprofit corporation's bylaws;
- (11) Gives individual trade name holders the right to file a petition for an administrative order of abatement of trade name infringement;
- (12) Repeals provisions relating to the obligations of a resigning member of a nonprofit corporation;
- (13) Repeals provisions relating to actions taken by members of a nonprofit corporation by written ballots; and
- (14) Corrects ambiguities and errors and makes technical changes for purposes of clarification, consistency, and style.

The Department of Commerce and Consumer Affairs and Unity House, Inc., submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2732, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1231            Finance on S.B. No. 2733**

The purpose of this bill is to clarify and update the Insurance Code and other statutes to be consistent with changes made to the Producer Licensing Act which takes effect on July 1, 2002.

The National Association of Insurance and Financial Advisors Hawaii and the American Council of Life Insurers submitted testimony in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Independent Insurance Agents Association submitted testimony in support of this bill with proposed amendments.

Although this bill is not being amended at this time, your Committee notes that DCCA has proposed amendments to this bill that should receive consideration. Your Committee respectfully requests that the Conference Committee for this bill consider DCCA's proposed amendments when taking action on this legislation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2733, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1232            Finance on S.B. No. 2883**

The purpose of this bill is to fill a gap in the insurance law that will be created upon the expiration of federal law relating to limited licensing, by authorizing the Insurance Commissioner (Commissioner) to issue rental car companies a limited license to sell insurance only in connection with and incidental to the rental of vehicles.

The Hertz Corporation and Avis Rent a Car Systems, Inc. submitted testimony in support of this bill. Catrala Hawaii, the Department of Commerce and Consumer Affairs (DCCA), and the Office of Consumer Protection of DCCA supported the intent of this bill and suggested amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1233            Finance on S.B. No. 2885**

The purpose of this bill is to reduce regulatory burdens by allowing a wireless telecommunications provider to segregate taxable income reasonably.

Verizon Hawaii testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2885, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1234            Finance on S.B. No. 2724**

The purpose of this bill is to update and streamline real estate regulatory procedures and requirements by:

- (1) Repealing Real Estate Commission (Commission) regulations relating to limited-equity housing cooperatives that are duplicative of other federal, state, or county regulations;
- (2) Authorizing principal brokers (PB) to delegate management and supervisory duties to brokers-in-charge, subject to:
  - (A) The PB's written policies and procedures; and
  - (B) Responsibility of the PB for educational, enforcement, and record keeping requirements related to implementation of the policies and procedures;
- and
- (3) Repealing the registration and fidelity bond requirements of a condominium managing agent who is an active real estate broker in compliance with condominium licensure requirements; and



- (4) Repealing the requirement that the rules adopted by the Commission be used in the arbitration of disputes.

The Hawaii Association of Realtors supported the bill. The Commission, Professional and Vocational Licensing Division, and Department of Commerce and Consumer Affairs commented on the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2724, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1235            Finance on S.B. No. 251**

The purpose of this bill is to:

- (1) Set standards of qualifications regarding education and experience of mental health counselors; and
- (2) Require certification for those persons who seek to represent themselves to the public as certified professional counselors.

The Crime Victim Compensation Commission, Department of Health, Hawaii Counseling Association, Hawaii Youth Services Network, Hawaii Vocational Services, Alliance for Professional Counselor Licensure, Case Management Works, Sestak Rehabilitation Services, Christian Science Committee on Publication for Hawaii, Rehabilitation Association of Hawaii, and a number of concerned citizens testified in support of this measure. The Hawaii Psychological Association testified in opposition to this measure. The Department of Commerce and Consumer Affairs commented on this measure.

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

Signed by all members of the Committee except Representative Davis.

**SCRep. 1236            Finance on S.B. No. 2723**

The purpose of this bill is to merge the Department of Commerce and Consumer Affairs' (DCCA) insurance regulation fund into their compliance resolution fund.

DCCA and the State Insurance Commissioner testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2723, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Suzuki and Davis.

**SCRep. 1237            Finance on S.B. No. 940**

The purpose of this bill is to clarify the rights and obligations of mutual benefit societies and health maintenance organizations with regard to the health coverage of individuals who may have a third party claim for recovery of damages. This bill provides that refusing to provide, or limiting, health coverage to persons who may have third party claims for damages is an unfair insurance practice under article 13 of the Insurance Code.

Consumer Lawyers of Hawaii, Hawaii Claims Managers Association, and three individuals testified in support of this measure. The Department of Commerce and Consumer Affairs offered comments. The Hawaii Medical Service Association, Queen's Health Plans, Kapiolani HealthHawaii, Straub Health Plan Services, Inc., Chamber of Commerce of Hawaii, Hawaii Association of Health Plans, Hawaii Business Health Council, Hawaii Bankers Association, Retail Merchants of Hawaii, AT&T, Avalon Development and Consulting, Voluntary Employees' Benefit Association of Hawaii, and Mutual Benefit Association of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Inserting a defective date of January 1, 2020, for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 940, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 940, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1238            Judiciary & Hawaiian Affairs on S.B. No. 2336**

The purpose of this bill is to require drivers under seventeen years of age to be accompanied by a licensed driver at least twenty-one years of age when driving between 10:00 p.m. and 4:00 a.m.

Your Committee received testimony in support of the measure from the Department of Health, the Department of Transportation, Mothers Against Drunk Driving, and Keiki Injury Prevention Coalition. The Honolulu Police Department and Department of Education supported the intent of the measure and provided comments. The Judiciary, Hawaii Youth Services Network, and the Office of the Public Defender commented on the bill. Testimony in opposition to the measure was submitted by the Libertarian Party of Hawaii and concerned individuals.

Your Committee finds that there is a perception that youthful drivers make up a large group of night drivers who are involved in accidents. This measure attempts to address the concern that youthful drivers require adult supervision when operating motor vehicles late at night.

Your Committee has amended this measure by:

- (1) Reducing the age of the accompanying licensed driver to eighteen years of age;
- (2) Changing the hours of adult accompaniment to 12:00 midnight to 4:00 a.m.; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2336, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2336, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1239            Judiciary & Hawaiian Affairs on S.B. No. 2337**

The purpose of the bill is to increase penalties for racing on highways.

Your Committee received testimony in support of the measure from the Department of Transportation, Honolulu Police Department, Department of the Prosecuting Attorney for the City and County of Honolulu, and a concerned individual. The Office of the Public Defender offered comments.

The current prohibition against racing on highways does not prohibit excessive speed even though speeding is a major factor in racing mishaps.

Your Committee has amended this bill by:

- (1) Deleting the provision declaring that no person shall aid or attempt to aid another person in planning or committing an offense related to racing on highways;
- (2) Deleting the increased penalty provisions for racing without regard to speeding;
- (3) Replacing the penalty provisions with new penalties for excessive speeding while violating the provisions against racing on highways; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2337, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2337, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1240            Judiciary & Hawaiian Affairs on S.B. No. 2898**

The purpose of this bill is to protect caves and their resources by limiting or prohibiting certain uses and activities within them.

Your Committee received testimony supporting the bill from the Board of Land and Natural Resources, Department of Transportation, Office of Hawaiian Affairs, Oahu Island Burial Council and the Hawaii Leeward Planning Conference. Comments were received from the Consumer Lawyers of Hawaii.

Your Committee has amended this bill by:

- (1) Amending the definition of "cave" to include the requirement that the cave must have archeological, geological, or cultural significance;
- (2) Amending the definition of the term "construction context" to include all permitted activities necessary to construct subsurface tunnels for highways and utilities;
- (3) Making an exception to the offense of unlawful burning in a cave for caves encountered within the normal course of a construction context;

- (4) Clarifying that the offense of burning in a cave requires that the alleged perpetrator committed the offense "intentionally, knowingly, or recklessly;"
- (5) Clarifying that the offense of disturbing native organisms in a cave requires that the alleged perpetrator committed the offense "knowingly or recklessly;"
- (6) Clarifying that the offense of disturbing or harming the surfaces of caves includes the requirement that the alleged perpetrator knowingly committed the offense;
- (7) Clarifying that harming native organisms in a cave must be substantial for an offense to have occurred;
- (8) Clarifying that the offense against cave organisms occurs when it affects not only native organisms but also endemic organisms as well as organisms that are threatened or endangered;
- (9) Clarifying that liability exists where a cave owner fails to guard or warn against a dangerous condition or activity that the owner knowingly perpetuates or where a cave owner charges a fee to any person who enters or uses the cave for educational, native Hawaiian cultural, or scientific purposes;
- (10) Clarifying that persons violating the new chapter shall be guilty of a petty misdemeanor instead of a misdemeanor;
- (11) Establishing fines of not less than \$250 for a first offense and \$500 for any subsequent offenses; and
- (12) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2898, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1241      Judiciary & Hawaiian Affairs on S.B. No. 2628**

The purpose of this bill is to strengthen the current law regarding the use of intoxicants while operating a motor vehicle. Specifically, this bill:

- (1) Applies repeat intoxicated driver provisions to persons with prior drug enforcement contacts;
- (2) Clarifies that a person who has refused a chemical test for either alcohol or drugs will not be eligible for a conditional license permit;
- (3) Clarifies the administrative review procedure for the revocation of a driver's license; and
- (4) Requires a law enforcement officer to read a specific implied consent form to an arrestee.

The Judiciary, Department of Transportation, Honolulu Police Department and Mother's Against Drunk Drivers submitted testimony in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in support of the intent of this bill.

Your Committee finds that when the driving under the influence consolidation legislation was originally passed, there was no intent to allow drivers who refuse to be tested to be able to obtain a conditional license permit. It was also the original intent of the consolidation legislation to keep prior drug enforcement contacts separate from prior alcohol enforcement contacts when referring to repeat intoxicated drivers. Additionally, law enforcement officers have indicated that although the statute requires them to inform drivers of the sanctions for refusing to be tested, there must be some latitude given to the officers when requiring only appropriate information be conveyed to the driver.

Upon further consideration, your Committee has amended the bill by deleting its substance and inserting the provisions of a similar bill, H.B. No. 2301, H.D. 2. As amended, this bill:

- (1) Clarifies that a person who has refused a chemical test for either alcohol or drugs will not be eligible for a conditional license permit; and
- (2) Clarifies the administrative procedure for the revocation of a driver's license.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2628, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2628, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1242      Judiciary & Hawaiian Affairs on S.B. No. 2231**

The purpose of this measure is to create a process to develop warning signage for the Kaho'olawe Island Reserve.

Your Committee received testimony in support of this measure from the Kaho'olawe Island Reserve Commission, Office of Hawaiian Affairs, and a member of the Maui County Council. Consumer Lawyers of Hawaii commented on this measure.

Your Committee finds safety planning to be a necessary component in the transition from U.S. government control of Kaho'olawe and in opening access to the public.

Your Committee has amended this measure by deleting its contents and inserting the substance of a very similar bill, H.B. No. 2110, H.D. 1. Technical amendments were made to remove the temporary task force provisions of the bill from the statutes and place them in the Session Laws. Other technical, nonsubstantive amendments were made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2231, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2231, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1243          Finance on S.B. No. 2270**

The purpose of this bill is to:

- (1) Strengthen the school administrator profession by establishing the Hawaii Administrator Standards Board (Board) which, among other things, shall:

- (A) Establish school administrator certification standards; and

- (B) Monitor school administrator quality by issuing, renewing, revoking, and suspending school administrator certificates;

and

- (2) Establish no fewer than eight teacher positions to educate public school students about the internment of persons of Japanese ancestry in the United States during World War II and the lessons that may be learned from history.

The Japanese American Citizens League supported the bill. The Department of Education supported the intent of the measure. The Hawaii Governmental Employees Association supported the intent of Part I of the bill. The Hawaii Civil Rights Commission and a concerned individual supported Part II of the measure. A concerned individual offered comments.

Your Committee has amended this measure by changing the effective date of this bill to July 1, 2020, to facilitate further discussion. Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2270, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2270, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

**SCRep. 1244          Finance on S.B. No. 2284**

The purpose of this bill is to ensure a safe school environment for Hawaii's children by appropriating an unspecified amount of moneys to fund the Safety Resource Officer Program statewide.

The Department of Education supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2284, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1245          Finance on S.B. No. 2680**

The purpose of this bill is make school repair and maintenance projects more cost effective, efficient, and flexible by requiring the Comptroller to develop specifications based on generic or prescriptive specifications using standard commercial products, in lieu of the current practice of establishing a qualified product list.

The Department of Education and Department of Accounting and General Services supported this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2680, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2680, H.D. 1.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1246      Finance on S.B. No. 2068**

The purpose of this bill is to:

- (1) Indemnify, retroactive to January 1, 2002, providers of construction or project-related professional services that contract with Helping Hands Hawaii through Hawaii 3R's to perform pro bono or reduced-cost services for the repair and maintenance of public schools in Hawaii; and
- (2) Appropriate an unspecified amount of funds for fiscal year 2002-2003 for a position in the Department of Accounting and General Services (DAGS) to coordinate public and private efforts to repair and maintain public schools.

A United States Senator from Hawaii, Department of Education, DAGS, Hawaii 3R's, American Society of Civil Engineers, Paul Louie & Associates, Inc., Nagamine Okawa Engineers Inc., Aylward Enterprises, Inc., and two concerned citizens supported this bill.

Your Committee has amended this measure by:

- (1) Clarifying the language of the bill; and
- (2) Making other technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2068, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2068, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1247      Finance on S.B. No. 2097**

The purpose of this bill is to place under legislative oversight, federal Impact Aid and U.S. Department of Defense funds (Federal Funds) received by the Department of Education (DOE).

Specifically, this bill:

- (1) Requires the Comptroller to establish new accounts for all Federal Funds in each fiscal year and requires all unencumbered cash balances in accounts for Federal Funds established in previous fiscal years to be deposited into current fiscal year accounts;
- (2) Prohibits expenditure of Federal Funds by the DOE without legislative appropriation;
- (3) Requires the Board of Education to submit semiannual reports to the Legislature regarding the disposition of Federal Funds;
- (4) Repeals the Governor's authority to authorize DOE to expend the Federal Funds; and
- (5) Repeals the provision prohibiting Federal Funds and federal indirect overhead reimbursements received by the DOE from being returned to the general fund.

The Department of Education and the Chamber of Commerce of Hawaii supported this bill. The Hawaii State Teachers Association opposed this measure. An officer of the U.S. Pacific Command offered comments.

Your Committee has amended this measure by:

- (1) Restoring the provision prohibiting Federal Funds and federal indirect overhead reimbursements received by the DOE from being returned to the general fund; and
- (2) Making other technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2097, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2097, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1248      Finance on S.B. No. 2792**

The purpose of this bill is to transfer the public safety functions and employees of the Department of Public Safety (PSD) providing security at public libraries to the Department of Education and the Hawaii State Public Library System. This would ensure that the safety and security of public library patrons and employees will be provided in a more efficient manner.

PSD, the State Librarian, and a concerned individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2792, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1249          Finance on S.B. No. 2926**

The purpose of this bill is to require the Department of Education (DOE) to conduct a comprehensive occupational validation study of its educational officers.

The Hawaii Government Employees Association submitted testimony in opposition to this bill. DOE submitted comments on this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2926, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2926, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1250          Finance on S.B. No. 3041**

The purpose of this bill is to:

- (1) Repeal the Department of Education's (DOE) Storeroom Revolving Fund and storeroom; and
- (2) Transfer any unexpended and unencumbered funds remaining in the Storeroom Revolving Fund as of December 31, 2002, to the general fund.

The DOE supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3041, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1251          Finance on S.B. No. 2512**

The purpose of this bill is to provide equity to New Century Charter Schools (Charter Schools) and their teachers by:

- (1) Enabling teachers who meet the requirements for regular Department of Education (DOE) teachers and are employed at Charter Schools to receive probationary and tenure status and acquire seniority;
- (2) Requiring Charter Schools to receive an allocation of state funds based on the total DOE appropriation for Education 100, 200, 300, 400, and 500 and projected per-pupil allocation for the current fiscal year;
- (3) Requiring DOE to determine and provide an appropriate level of special education staff and services to Charter Schools to ensure that students' educational needs as indicated in the individualized educational plans are met;
- (4) Limiting reimbursements by a Charter School to DOE for administrative services related to federal grants and subsidies to six and one-half percent of the Charter School's federal grants and subsidies;
- (5) Establishing deadlines for DOE to provide a Charter School's per-pupil allocation each year; and
- (6) Repealing:
  - (A) The provision declaring that the allocation for special education students shall be adjusted appropriately to reflect the additional expenses incurred for students in these programs, provided that any increment to the per pupil allocation made shall not exceed the increment available to all other public schools;
  - (B) The provision declaring that the per pupil allocation to any Charter School shall not exceed DOE's average per pupil expenditure; and
  - (C) The requirement that the Auditor explicitly consider the advice of the Superintendent of Education and representatives of local school boards when determining the per-pupil allocation for Charter Schools.

Kamehameha Schools, South Maui Learning Ohana, Inc., Hawaii Association of Charter Schools, and numerous citizens supported this bill. The Department of Budget and Finance and Hawaii Governmental Employees Association opposed this bill. The DOE, Hawaii State Teachers Association, and Voyager Public Charter School Local School Board offered comments.

Your Committee has amended this measure by:

- (1) Deleting the provision enabling teachers, who are employed at Charter Schools and who fulfill the requirements set forth for regular DOE teachers, to receive probationary and tenure status and acquire seniority;
- (2) Basing the allocation formula for funding of Charter Schools on the total DOE general fund allocation for Education 100, 200, 300, and 400, instead of total DOE appropriations for the respective program ID's listed;
- (3) Requiring the DOE to provide appropriate transitional resources to a conversion charter school for its first year of operation as a Charter School based on the DOE's allocation to the school for the year prior to conversion;
- (4) Requiring the Auditor to consider DOE-imposed budget restrictions when determining allocation amounts;
- (5) Requiring the Auditor to develop a methodology for allocating funds for conversion charter schools by basing the allocation for each newly converted school on the Education 100, 200, and upon written agreement between the conversion charter school's local school board and DOE, specified sections of the Education 300 and 400 budgets the school received in the year prior to conversion; provided that the allocation may be adjusted to account for any changes that may be made by the Legislature, Governor, DOE-imposed restrictions, or applicable collective bargaining negotiated amounts;
- (6) Clarifying that if a Charter School dissolves or is denied continuation, the State of Hawaii shall have first right to all assets and facilities of the Charter School, except as otherwise provided in the detailed implementation plan; and
- (7) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2512, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2512, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1252      Finance on S.B. No. 2036**

The purpose of this bill is to amend the current formula for allocating funds to New Century Charter Schools (Charter Schools) by, among other things:

- (1) Requiring that the allocation be based on the total Department of Education (DOE) appropriation for Education 100, 200, 300, 400, and 500 and the projected per-pupil allocation for the current fiscal year;
- (2) Requiring DOE to provide transitional funding to a conversion charter school for its first fiscal year of operation as a charter, based on the school's allocation for the prior fiscal year;
- (3) Deleting the requirement that the increment to the per-pupil allocation provided to a Charter School for special education students shall not exceed that provided to other public schools; and
- (4) Requiring the Auditor to develop a methodology for allocating funds to conversion charter schools based on certain allocation criteria.

Voyager Public Charter School Local School Board and several individuals testified in support of the bill. Kamehameha Schools and several individuals supported the intent of the measure. The Hawaii Association of Charter Schools and Halau Ku Mana New Century Charter School opposed the bill. DOE and the Hawaii Government Employees Association submitted comments on the measure.

Your Committee has amended this bill by deleting its contents and inserting provisions that:

- (1) Reduce the number of Charter Schools that may be established from 25 to 23;
- (2) Allow the Board of Education (BOE) to place a Charter School on probation for:
  - (A) Violating applicable state laws;
  - (B) Failing to adhere to applicable BOE policies; or
  - (C) Failing to have its students meet statewide student performance standards;
  - (D) Incurring a spending deficit; and
  - (E) Not remaining fiscally responsible in other ways.
- (3) Allow BOE to require a Charter School which is on probation to submit a corrective action plan and take corrective measures, including adopting a repayment schedule if the Charter School has incurred a spending deficit; and
- (4) Allow BOE to revoke a Charter School's charter if the school's corrective action plan is unsatisfactory or if the school fails to meet probationary requirements.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2036, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2036, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representative Djou voted no.)

**SCRep. 1253            Finance on S.B. No. 2102**

The purpose of this bill is to propose amendments to the State Constitution to reform the administrative structure of Hawaii's public education system by:

- (1) Abolishing the Board of Education and replacing it with Local District School Boards of Education;
- (2) Establishing a Superintendent Selection Commission to propose a list of candidates for the Superintendent of Education (Superintendent) from which the Governor shall appoint the Superintendent, with the advice and consent of the Senate;
- (3) Empowering the Superintendent to formulate statewide educational policy;
- (4) Creating Local District School Boards of Education to implement educational policy and formulate and implement local district objectives; and
- (5) Providing that the internal organization of the public education system shall be as provided by law.

The Representative from the 48<sup>th</sup> District supported the bill. The Board of Education submitted testimony in opposition to the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2102, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1254            Finance on S.B. No. 3018**

The purpose of this bill is to reform the educational system in Hawaii. Among other things, this bill:

- (1) Abolishes the Board of Education (BOE) and transfers BOE's responsibilities to the Superintendent of Education (Superintendent);
- (2) Makes the Superintendent responsible for formulating statewide policy and the general supervision and management of the Department of Education (DOE);
- (3) Creates 15 school districts that are to be established by a School District Apportionment Commission;
- (4) Establishes one district school board for each district;
- (5) Sets guidelines for the Superintendent to be a coordinator to the school districts, in addition to managing the Department of Education;
- (6) Establishes district administrators responsible for the educational needs of individual districts;
- (7) Creates a Joint Senate-House Task Force to:
  - (A) Review statutes that will require conforming amendments;
  - (B) Propose legislation governing the election of district school boards; and
  - (C) Analyze the effects of this bill and propose additional legislation or amendments to the bill;
- and
- (8) Repeals outdated statutes relating to libraries.

The Representative from the 48<sup>th</sup> District testified in support of this measure. BOE opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3018, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1255            Finance on S.B. No. 2540**



The purpose of this bill is to provide financial assistance to community-based entrepreneurs by appropriating an unspecified amount of funds to the Community-Based Economic Development Program of the Department of Business, Economic Development, and Tourism (DBEDT).

Testimony in support of this bill was received from DBEDT, County of Hawaii Department of Research and Development, Hilo-Hamakua Community Development Corporation, Hawaii County Economic Opportunity Council, Hamakua Diversified Agricultural Association, Hawaii Alliance for Community-Based Economic Development, Hawaii Alliance for Arts Education, Nanakuli Neighborhood Housing Services, Inc., Waialua Farmers Cooperative, Ko'olauloa Educational Alliance Corporation, Ocean View Community Association, Inc., Community Works, Na Po'e Hoa 'Aina, Healthy Intentions, and numerous concerned individuals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2540, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1256          Finance on S.B. No. 3021**

The purpose of this bill is to expand the tax credit for motion picture and film production to include a percentage of the costs of wages and salaries, capped at an unspecified percentage of the first \$25,000 per employee, and to include commercials in motion picture and film production.

The Hawaii State AFL-CIO, Screen Actors Guild, a member of the Maui County Council, and a concerned individual testified in support of this measure. The Department of Business, Economic Development, and Tourism and Honolulu Film Office of the City and County of Honolulu supported the intent of this measure.

The Department of Taxation and the Department of Budget and Finance opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to apply to taxable years beginning after December 31, 2020, for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3021, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3021, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1257          Finance on S.B. No. 2831**

The purpose of this bill is to further stimulate the residential construction industry by:

- (1) Extending the residential construction and remodeling income tax credit (tax credit) to apply to costs incurred by an unspecified date;
- (2) Extending the tax credit to apply through an unspecified taxable year; and
- (3) Amending the definition of "construction or remodeling cost" to clarify the costs for which the tax credit may be claimed.

Land Use Research Foundation of Hawaii, Building Industry Association of Hawaii, Subcontractors Association of Hawaii, American Institute of Architects Hawaii State Council, Armstrong Builders, Ltd., Philtonic Marketing Group, Ko Olina Resort and Marina, and several individuals testified in support of the bill. The Department of Taxation submitted testimony in support of the bill with amendments. The Department of Business, Economic Development, and Tourism supported the intent of the measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee has amended this bill by:

- (1) Specifying that the tax credit shall be available through 2005; and
- (2) Amending the definition of "construction or remodeling cost" to:
  - (A) Clarify the costs for which the tax credit may be claimed; and
  - (B) Modify the time period in which the credit may be claimed.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2831, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1258 Finance on S.B. No. 2383**

The purpose of this bill is to promote construction in Hawaii by:

- (1) Establishing a nonrefundable qualified project construction tax credit for qualified project construction costs incurred after December 31, 2002, and before January 1, 2010. More specifically, this credit:
  - (A) Amounts to four percent in each taxable year for qualified project construction costs incurred up to \$10,000,000 over a consecutive seven-year period;
  - (B) Amounts to ten percent in each taxable year for qualified project construction costs incurred of more than \$10,000,000 over a consecutive seven-year period; provided that the taxpayer shall require that any general contractor performing work for the qualified project pay its employees the prevailing wages;
  - (C) Defines "qualified project construction costs" to mean any costs incurred after December 31, 2002, and before January 1, 2010, for plans, design, construction, infrastructure, amenities, equipment, alteration, modification, telecommunications, and information technology relating to a qualified project; and
  - (D) Defines "qualified project" to mean a single or multiple phase development or renovation project situated on one or more parcels of real property which are contiguous, adjoining, or in close proximity to each other;

and

- (2) Expanding the hotel construction and remodeling tax credit to include construction and renovation costs incurred for:
  - (A) Any property on which commercial or recreational use is permitted to support or service a hotel/hotel-condo or resort use; or
  - (B) Offsite improvements necessary to service destination resort areas where a hotel/hotel-condo is situated.

The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Laborers' International Union of North America Local 368, Subcontractors Association of Hawaii, AIA Hawaii State Council, Hawaii Construction Industry Association, Waikiki Improvement Association, Paul Louie & Associates, Inc., Hawaii Business Roundtable, Retail Merchants of Hawaii, Hawaii Attractions Association, Hawaii Resort Developers Conference, The Estate of James Campbell, Plumbing & Mechanical Contractors Association of Hawaii, Cendant Corporation, and Waianae Coast Comprehensive Health Center supported this measure. The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority supported the intent of this bill. The Department of Taxation opposed this bill. The Department of Budget and Finance and the Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Replacing references to "capital investment" with "development";
- (2) Changing the period during which the credit can be taken from seven years to four years beginning with the year 2003 and running through 2007;
- (3) Lowering the amount of the credit for large construction projects from ten percent to eight percent;
- (4) Clarifying that residential projects do not qualify for this credit;
- (5) Ensuring that if a project claims a credit for its costs based on the hotel construction and remodeling tax credit (section 235-110.4, Hawaii Revised Statutes (HRS), or the technology infrastructure renovation tax credit (section 235-110.51, HRS), the project may not claim the qualified project construction tax credit established by this measure; and
- (6) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2383, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2383, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1259 Finance on S.B. No. 2907**

The purpose of this bill is to establish a nonrefundable tax credit of up to \$100,000,000 for investment expenses incurred in the development of facilities for attractions and educational purposes at Ko Olina Resort and Marina made after June 30, 2002, and no later than December 31, 2007.

Ko Olina Company, Ko Olina Community Association, Hawaii Government Employees Association, University of Hawaii at Manoa Athletic Department, Association of Apartment Owners at the Ko Olina Fairways, Armstrong Builders, Ltd., Brookfield Homes, 300 Corporation, Libertarian Party of Hawaii, and several concerned individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

The Department of Taxation opposed this measure. The Department of Budget and Finance, Tax Foundation of Hawaii, and the Hawaii Coalition Against Legalized Gambling submitted comments.

Your Committee has amended this bill by:

- (1) Reducing the total tax credit amount to \$50,000,000;
- (2) Allowing a ten-year period for tax credits;
- (3) Removing the ability to sell tax credits to other business entities;
- (4) Clarifying that the tax credit is for qualified construction costs and not investments;
- (5) Increasing the recapture provisions to one hundred percent of the current year value of tax credits received;
- (6) Providing that if the tax credit is claimed, the business entity claiming the tax credit will not be allowed to claim any other credits under Title 14 or chapter 431;
- (7) Requiring the construction of the aquarium and the mammal facility before other entities may claim the tax credit;
- (8) Requiring fifty percent of the gross income from the aquarium, starting in its eleventh year, to be remitted to the State;
- (9) Changing the effective date to December 31, 2020, to facilitate further discussion; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2907, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2907, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representative Rath voted no.)

#### **SCRep. 1260            Finance on S.B. No. 2985**

The purpose of this bill is to assist federally qualified health centers by providing an income tax credit of 50 percent of the costs related to qualified capital improvements.

Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, and Waimanalo Health Center submitted testimony in support of this bill. The Department of Taxation submitted testimony in opposition to this bill. The Tax Foundation of Hawaii submitted comments on this bill.

Your Committee has amended this bill by deleting the percentage of the tax credit to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2985, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2985, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

#### **SCRep. 1261            Consumer Protection & Commerce on H.R. No. 89**

The purpose of this resolution is to request the State Insurance Commissioner to perform an actuarial analysis to determine if reinstating naturopathy among the personal injury protection (PIP) benefits in motor vehicle insurance will affect utilization and to what degree it could impact insurance rates.

The Department of Commerce and Consumer Protection and the Hawaii Society of Naturopathic Physicians submitted testimony in support of this resolution.

Your Committee finds that Act 251, Session Laws of Hawaii 1997, removed acupuncture and naturopathic treatment from mandatory PIP automobile insurance benefits, leaving chiropractic treatment as the only alternative medical treatment eligible for insurance reimbursement. Acupuncture was reinstated in 1998, however, naturopathic treatment remained an optional alternative at extra cost.

Your Committee further finds that presently, there is no reliable data that evaluates how and to what degree reinstating naturopathic treatment in the motor vehicle insurance injury PIP statute will affect utilization and insurance rates. Without this necessary information, legislators are unable to make informed and educated decisions on this issue. Once the State Insurance Commissioner is able to complete this assessment, concerns over utilization and insurance rates will no longer be held in a "we-say, they-say" argument but will be grounded in actuarial data and evidence.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 89 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Morita, and Yoshinaga.

**SCRep. 1262      Consumer Protection & Commerce on H.C.R. No. 131**

The purpose of this concurrent resolution is to request the State Insurance Commissioner to perform an actuarial analysis to determine if reinstating naturopathy among the personal injury protection (PIP) benefits in motor vehicle insurance will affect utilization and to what degree it could impact insurance rates.

The Department of Commerce and Consumer Protection and the Hawaii Society of Naturopathic Physicians submitted testimony in support of this concurrent resolution.

Your Committee finds that Act 251, Session Laws of Hawaii 1997, removed acupuncture and naturopathic treatment from mandatory PIP automobile insurance benefits, leaving chiropractic treatment as the only alternative medical treatment eligible for insurance reimbursement. Acupuncture was reinstated in 1998, however, naturopathic treatment remained an optional alternative at extra cost.

Your Committee further finds that presently, there is no reliable data that evaluates how and to what degree reinstating naturopathic treatment in the motor vehicle insurance injury PIP statute will affect utilization and insurance rates. Without this necessary information, legislators are unable to make informed and educated decisions on this issue. Once the State Insurance Commissioner is able to complete this assessment, concerns over utilization and insurance rates will no longer be held in a "we-say, they-say" argument but will be grounded in actuarial data and evidence.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 131 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Morita, and Yoshinaga.

**SCRep. 1263      Tourism & Culture and Judiciary & Hawaiian Affairs on H.R. No. 142**

The purpose of this resolution is to request the Governor to designate the month of August, 2002, as the "Duke Paoa Kahanamoku Ho'olaulea" to commemorate the lifetime accomplishments of Duke Paoa Kahanamoku.

The Department of Accounting and General Services, Capitol Chapter of the Surfrider Foundation, Seahorse Oceansports Association, Outrigger Duke Kahanamoku Foundation, and two concerned citizens supported this measure.

Your Committees recognize the profound impact that Duke Kahanamoku made in the lives of the people of Hawaii, the United States, and nations around the world. He demonstrated his considerable athletic prowess by earning numerous gold, silver, and bronze medals in the 1912, 1920, 1924, and 1932 Olympic Games. His heroic surfboard rescue of eight people on June 14, 1925, at Corona Del Mar, California, served as a testament to his courage and bravery. This particular incident also proved that surfboards had the potential to be used as a lifesaving tool in ocean rescues. For these and numerous other achievements, your Committees fully support initiatives that honor and commemorate Duke Kahanamoku.

Your Committees have amended this measure by:

- (1) Clarifying that Duke Kahanamoku served as Sheriff of the City and County of Honolulu from 1935 through 1960;
- (2) Changing references to the name "F. Kamakaopiopio Clarke Myamoto" to "Kamaka Clark Miyamoto"; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 142, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 142, H.D. 1.

Signed by all members of the Committee except Representatives Cabrerros, Case, Takumi, Halford, and Ontai.

**SCRep. 1264      Tourism & Culture and Judiciary & Hawaiian Affairs on H.C.R. No. 199**

The purpose of this concurrent resolution is to request the Governor to designate the month of August, 2002, as the "Duke Paoa Kahanamoku Ho'olaulea" to commemorate the lifetime accomplishments of Duke Paoa Kahanamoku.

The Department of Accounting and General Services, Capitol Chapter of the Surfrider Foundation, Seahorse Oceansports Association, Outrigger Duke Kahanamoku Foundation, and two concerned citizens supported this measure.

Your Committees recognize the profound impact that Duke Kahanamoku made in the lives of the people of Hawaii, the United States, and nations around the world. He demonstrated his considerable athletic prowess by earning numerous gold, silver, and bronze medals in the 1912, 1920, 1924, and 1932 Olympic Games. His heroic surfboard rescue of eight people on June 14, 1925, at Corona Del Mar, California, served as a testament to his courage and bravery. This particular incident also proved that surfboards had the potential to be used as a lifesaving tool in ocean rescues. For these and numerous other achievements, your Committees fully support initiatives that honor and commemorate Duke Kahanamoku.

Your Committees have amended this measure by:

- (1) Clarifying that Duke Kahanamoku served as Sheriff of the City and County of Honolulu from 1935 through 1960;
- (2) Changing references to the name "F. Kamakaopiopio Clarke Myamoto" to "Kamaka Clark Miyamoto"; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 199, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 199, H.D. 1.

Signed by all members of the Committee except Representatives Cabrerros, Case, Takumi, Halford, and Ontai.

**SCRep. 1265            Consumer Protection & Commerce on H.R. No. 116**

The purpose of this resolution is to request businesses providing cable and satellite services and products for consumers to investigate energy efficiency measures to assist in reducing financial and environmental costs.

More specifically, this measure requests businesses that provide cable and satellite services and products to consumers to:

- (1) Investigate available and forthcoming devices that meet the voluntary "Energy Star" standards established by the Environmental Protection Agency;
- (2) Investigate more efficient devices, even if relevant "Energy Star" standards for these devices do not exist; and
- (3) Educate consumers about how to lower their electricity consumption and costs.

Verizon Hawaii testified in support of the intent of this measure.

Your Committee finds that businesses are providing, and customers are purchasing, an increasing amount of electronic equipment and services, greatly increasing the consumption of expensive electrical energy. This measure proposes to have businesses and their customers become involved in reducing electrical consumption.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 116 and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki, Yoshinaga and Meyer.

**SCRep. 1266            Consumer Protection & Commerce on H.C.R. No. 159**

The purpose of this concurrent resolution is to request businesses providing cable and satellite services and products for consumers to assist in reducing financial and environmental costs.

More specifically, this measure requests businesses that provide cable and satellite services and products to consumers to:

- (1) Investigate available and forthcoming devices that meet voluntary "Energy Star" standards established by the Environmental Protection Agency;
- (2) Investigate more efficient devices, even if relevant "Energy Star" standards for these devices do not exist; and
- (3) Educate consumers about how to lower their electricity consumption and costs.

Verizon Hawaii testified in support of the intent of this measure.

Your Committee finds that businesses are providing, and customers are purchasing, an increasing amount of electronic equipment and services, greatly increasing the consumption of expensive electrical energy. This measure proposes to have businesses and their customers become involved in reducing electrical consumption.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 159 and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki, Yoshinaga and Meyer.

**SCRep. 1267            Judiciary & Hawaiian Affairs on H.R. No. 52**

The purpose of this measure is to convene a task force to develop a plan for utilization of alternate energy resources to address current and future energy needs on Kaho'olawe.

Your Committee received testimony in support of this measure from the Kaho'olawe Island Reserve Commission and the Department of Business, Economic Development, and Tourism.

Your Committee finds that an analysis of alternative energy resources is appropriate because the Kaho'olawe Island Reserve Commission does not anticipate relying on petroleum products to generate electricity on Kaho'olawe.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 52 and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1268      Judiciary & Hawaiian Affairs on H.C.R. No. 82**

The purpose of this measure is to convene a task force to develop a plan for utilization of alternate energy resources to address current and future energy needs on Kaho'olawe.

Your Committee received testimony in support of this measure from the Kaho'olawe Island Reserve Commission and the Department of Business, Economic Development, and Tourism.

Your Committee finds that an analysis of alternative energy resources is appropriate because the Kaho'olawe Island Reserve Commission does not anticipate relying on petroleum products to generate electricity on Kaho'olawe.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82 and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1269      Transportation on H.R. No. 75**

The purpose of this resolution is to request that the Governor convene a task force to reassess the feasibility of establishing a light rail system on Oahu to alleviate increasing traffic problems.

The Friends of Pearl Harbor Historic Trail and several concerned citizens testified in support of this measure. The Department of Transportation supported the intent of this measure. The Department of Transportation Services of the City and County of Honolulu testified in opposition to this measure.

One of the major concerns of the general public is that of traffic congestion on the island of Oahu. With an increased population and the construction of new homes, especially in the Leeward and Ewa areas, the situation is sure to get worse.

Although many suggestions to alleviate this problem have been made, including the use of a ferry system and staggered work hours, the use of a light rail system seems to be one of the most feasible alternatives. Your Committee understands that many light rail systems are used throughout the world to move large numbers of people from destination to destination and that modern light rail systems are fast, comfortable, environmentally friendly, and are capable of offering frequent services that rival the convenience of a car.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 75 and recommends its adoption.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1270      Transportation on H.C.R. No. 112**

The purpose of this concurrent resolution is to request that the Governor convene a task force to reassess the feasibility of establishing a light rail system on Oahu to alleviate increasing traffic problems.

The Friends of Pearl Harbor Historic Trail and several concerned citizens testified in support of this measure. The Department of Transportation supported the intent of this measure. The Department of Transportation Services of the City and County of Honolulu testified in opposition to this measure.

One of the major concerns of the general public is that of traffic congestion on the island of Oahu. With an increased population and the construction of new homes, especially in the Leeward and Ewa areas, the situation is sure to get worse.

Although many suggestions to alleviate this problem have been made, including the use of a ferry system and staggered work hours, the use of a light rail system seems to be one of the most feasible alternatives. Your Committee understands that many light rail systems are used throughout the world to move large numbers of people from destination to destination and that modern light rail systems are fast, comfortable, environmentally friendly, and are capable of offering frequent services that rival the convenience of a car.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 112 and recommends its adoption.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1271      Legislative Management on H.C.R. No. 181**

The purpose of this concurrent resolution is to request planning collaboration between the University of Hawaii (UH) and the Legislature to address issues of both short-term and long-term significance facing the State to provide the Legislature with better information for decision-making.

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

Your Committee believes that briefings with UH representatives will be beneficial in assisting legislators make more informed and better policy decisions.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 181 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1272      Legislative Management on H.R. No. 138**

The purpose of this resolution is to urge the designation of all areas of the State Capitol as a completely smoke-free building with appropriate "No Smoking" signs to be posted and existing ashtrays removed.

The Department of Health, Hawaii Medical Service Association, Tobacco Control Committee, American Lung Association of Hawaii, American Heart Association of Hawaii, Kaiser Permanente, Coalition for a Tobacco Free Hawaii, American Cancer Society Hawaii Pacific, Inc., Hawaii Association of Independent Schools, and numerous individuals testified in support of this measure.

The Department of Accounting and General Services opposed this measure.

Your Committee has amended this resolution by:

- (1) Recognizing that the Speaker of the House of Representatives and the Senate President are responsible for establishing the smoking policy at the State Capitol; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 138, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 138, H.D. 1.

Signed by all members of the Committee except Representative Halford.

**SCRep. 1273      Legislative Management on H.C.R. No. 195**

The purpose of this concurrent resolution is to urge the designation of all areas of the State Capitol as a completely smoke-free building with appropriate "No Smoking" signs to be posted and existing ashtrays removed.

The Department of Health, Hawaii Medical Service Association, Tobacco Control Committee, American Lung Association of Hawaii, American Heart Association of Hawaii, Kaiser Permanente, Coalition for a Tobacco Free Hawaii, American Cancer Society Hawaii Pacific, Inc., Hawaii Association of Independent Schools, and numerous individuals testified in support of this measure.

The Department of Accounting and General Services opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Recognizing that the Speaker of the House of Representatives and the Senate President are responsible for establishing the smoking policy at the State Capitol; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 195, H.D. 1.

Signed by all members of the Committee except Representative Halford.

**SCRep. 1274      Human Services and Housing and Education on H.R. No. 69**

The purpose of this resolution is to request the Governor's Special Assistant on Children and Families (Special Assistant) to convene the Hawaii After-school Initiative (Initiative) to develop a plan to ensure quality after-school programs for every school-age child in the State.

The Department of Human Services and the Special Assistant supported the intent of this measure.

Your Committees find that there appear to be many after-school services for children, but that there is a lack of coordination and funding for the services. It is your Committee's intent to ensure that resources are being maximized and that all children are served properly.

Your Committees have amended this resolution by:

- (1) Stating that 21st Century Community Learning Centers (Learning Centers) have been established to provide expanded learning opportunities for children;
- (2) Requesting the Learning Centers to assist the Department of Education in converting existing A-Plus programs into Learning Centers;
- (3) Including the Learning Centers and businesses to participate in the Initiative; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 69, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Schatz, Bukoski, Ontai and Stonebraker.

**SCRep. 1275      Human Services and Housing and Education on H.C.R. No. 107**

The purpose of this concurrent resolution is to request the Governor's Special Assistant on Children and Families (Special Assistant) to convene the Hawaii After-school Initiative (Initiative) to develop a plan to ensure quality after-school programs for every school-age child in the State.

The Department of Human Services and the Special Assistant supported the intent of this measure.

Your Committees find that there appear to be many after-school services for children, but that there is a lack of coordination and funding for the services. It is your Committee's intent to ensure that resources are being maximized and that all children are served properly.

Your Committees have amended this concurrent resolution by:

- (1) Stating that 21st Century Community Learning Centers (Learning Centers) have been established to provide expanded learning opportunities for children;
- (2) Requesting the Learning Centers to assist the Department of Education in converting existing A-Plus programs into Learning Centers;
- (3) Including the Learning Centers and businesses to participate in the Initiative; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 107, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 107, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, and Stonebraker.

**SCRep. 1276      Agriculture on H.R. No. 39**

The purpose of this resolution is to urge the Animal and Plant Health Inspection Service (APHIS) of the United States Department of Agriculture to initiate a program to eradicate fruit flies in Hawaii.

The Department of Agriculture (DOA) supported this measure. The Hawaii Farm Bureau Federation (HFBB) supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Inserting a provision requesting APHIS to work with the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR), DOA, Hawaii Agriculture Research Center (HARC), and HFBB to develop and implement a plan for the eradication of pest fruit flies in the State of Hawaii;
- (2) Including the Dean of UH-CTAHR, President of HARC, and the Executive Director of HFBB among the list of entities receiving a certified copy of this resolution; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.



As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 39, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 39, H.D. 1.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 1277      Agriculture on H.C.R. No. 70**

The purpose of this concurrent resolution is to urge the Animal and Plant Health Inspection Service (APHIS) of the United States Department of Agriculture to initiate a program to eradicate fruit flies in Hawaii.

The Department of Agriculture (DOA) supported this measure. The Hawaii Farm Bureau Federation (HFBF) supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Inserting a provision requesting APHIS to work with the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR), DOA, Hawaii Agriculture Research Center (HARC), and HFBF to develop and implement a plan for the eradication of pest fruit flies in the State of Hawaii;
- (2) Including the Dean of UH-CTAHR, President of HARC, and the Executive Director of HFBF among the list of entities receiving a certified copy of this concurrent resolution; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 70, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 70, H.D. 1.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Whalen.

**SCRep. 1278      Finance on H.C.R. No. 17**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to lease an easement covering a portion of submerged lands at Manualua, Oahu, Hawaii, for the purpose of maintaining the Hawaii Kai Marina entrance channel, pursuant to section 171-53, Hawaii Revised Statutes.

The Department of Land and Natural Resources testified in support of the concurrent resolution. The Makai Society opposed the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, Davis and Rath.

**SCRep. 1279      Finance on H.C.R. No. 18**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to lease an easement covering a portion of submerged lands at Lahaina, Maui, Hawaii, for concrete pier and deck purposes pursuant to section 171-53, Hawaii Revised Statutes.

The Department of Land and Natural Resources testified in support of the concurrent resolution. The Makai Society opposed the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 18 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, Davis and Rath.

**SCRep. 1280      Finance on H.C.R. No. 21**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to lease an easement covering a portion of submerged lands at Maunaloa, Oahu, Hawaii, for the purpose of maintaining the breakwater pursuant to section 171-53, Hawaii Revised Statutes.

The Department of Land and Natural Resources testified in support of the concurrent resolution. A concerned individual opposed the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, Davis and Rath.

**SCRep. 1281      Finance on H.C.R. No. 47**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to lease submerged and tidal lands of the Honokohau small boat harbor to private entities for commercial, recreational, educational, and research purposes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, H.D. 1, and recommends its adoption.

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

**SCRep. 1282      Finance on H.C.R. No. 16**

The purpose of this concurrent resolution is to approve the compensation plans and the costs thereof submitted by the personnel directors of the State, the Judiciary, the Hawaii Health Systems Corporation, and the counties, including the report published by the Public Employees Compensation Appeals Board.

Your Committee received supportive testimony from the Department of Human Resources Development.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16 and recommends its adoption.

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

**SCRep. 1283      Finance on H.R. No. 12**

The purpose of this resolution is to request the Legislative Auditor to study the feasibility of transferring the operation and management of Aloha Stadium from the Hawaii Stadium Authority to the University of Hawaii and the Kapolei Recreational Sports Complex to the University of Hawaii or the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 12 and recommends its adoption.

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

**SCRep. 1284      Finance on H.C.R. No. 26**

The purpose of this concurrent resolution is to request the Legislative Auditor to study the feasibility of transferring the operation and management of Aloha Stadium from the Hawaii Stadium Authority to the University of Hawaii and the Kapolei Recreational Sports Complex to the University of Hawaii or the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 26 and recommends its adoption.

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

**SCRep. 1285      Finance on H.C.R. No. 43**

The purpose of this concurrent resolution is to request the Department of Budget and Finance to enter into a financing agreement with Maui Lani Partners on behalf of the Department of Education (DOE) for the design, construction, financing, lease, and land acquisition for Maui Lani Elementary School and to issue tax-exempt certificates of participation to provide the necessary funds for the project.

DOE testified in support of the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, Davis and Rath.

**SCRep. 1286      Finance on H.C.R. No. 48**

The purpose of this concurrent resolution is to request the Governor and the President of the University of Hawaii to establish sister-state educational, cultural, and economic exchanges between the State of Hawaii and the province of Ilocos Sur of the Republic of the Philippines.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 48 and recommends its adoption.

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

**SCRep. 1287            Finance on H.C.R. No. 62**

The purpose of this concurrent resolution is to request the Department of Public Safety, with the assistance of the Hawaii Criminal Justice Data Center, to compare the recidivism rates of inmates transferred to mainland correctional facilities with similarly situated inmates who remained incarcerated in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62 and recommends its adoption.

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

**SCRep. 1288            Finance on H.R. No. 41**

The purpose of this resolution is to urge the Hawaii Tourism Authority to develop an overall strategy, policy, and plan to award tourism product enrichment and diversification grants.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 41 and recommends its adoption.

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

**SCRep. 1289            Finance on H.C.R. No. 72**

The purpose of this concurrent resolution is to urge the Hawaii Tourism Authority to develop an overall strategy, policy, and plan to award tourism product enrichment and diversification grants.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 72 and recommends its adoption.

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

**SCRep. 1290            Finance on H.R. No. 44**

The purpose of this resolution is to request the Legislative Auditor to analyze the probable effects of proposed regulation of athlete agents and assess whether its enactment is consistent with state policy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 44 and recommends its adoption.

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

**SCRep. 1291            Finance on H.C.R. No. 75**

The purpose of this concurrent resolution is to request the Legislative Auditor to analyze the probable effects of proposed regulation of athlete agents and assess whether its enactment is consistent with state policy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75 and recommends its adoption.

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

**SCRep. 1292            Finance on H.C.R. No. 94**

The purpose of this concurrent resolution is to request the establishment of an agricultural task force to develop recommendations for the promotion of agricultural development and the protection of existing agricultural land resources and their components.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, H.D. 1, and recommends its adoption.

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

**SCRep. 1293            Finance on H.R. No. 61**

The purpose of this resolution is to request the Department of Transportation to conduct a study concerning the use of existing railroad tracks and previous rights of ways to revitalize rail and other alternative forms of transit.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61 and recommends its adoption.

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

**SCRep. 1294            Finance on H.C.R. No. 95**

The purpose of this concurrent resolution is to request the Department of Transportation to conduct a study concerning the use of existing railroad tracks and previous rights of ways to revitalize rail and other alternative forms of transit.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 95 and recommends its adoption.

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

**SCRep. 1295            Finance on H.C.R. No. 105**

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study of printing products and services utilized, contracted, and subcontracted by Hawaii State government.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105 and recommends its adoption.

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

**SCRep. 1296            Finance on H.C.R. No. 117**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the movement of capital out of the state.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine and Magaoay.  
(Representatives Davis, Djou, Moses and Rath voted no.)

**SCRep. 1297            Finance on H.R. No. 81**

The purpose of this resolution is to reaffirm support for the Housing and Community Development Corporation of Hawaii's Hope VI Revitalization grant application for Kuhio Park Terrace and urge the United States Department of Housing and Urban Development to act favorably on the application.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 81 and recommends its adoption.

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

**SCRep. 1298            Finance on H.C.R. No. 118**

The purpose of this concurrent resolution is to reaffirm support for the Housing and Community Development Corporation of Hawaii's Hope VI Revitalization grant application for Kuhio Park Terrace and urge the United States Department of Housing and Urban Development to act favorably on the application.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 118 and recommends its adoption.

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

**SCRep. 1299            Finance on H.R. No. 87**

The purpose of this resolution is to request the University of Hawaii to study the feasibility of permitting certain immigrant students who have not yet attained legal permanent resident status to attend the University of Hawaii at the resident tuition rate.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 87 and recommends its adoption.

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

**SCRep. 1300      Finance on H.C.R. No. 128**

The purpose of this concurrent resolution is to request the University of Hawaii to study the feasibility of permitting certain immigrant students who have not yet attained legal permanent resident status to attend the University of Hawaii at the resident tuition rate.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 128 and recommends its adoption.

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

**SCRep. 1301      Finance on H.C.R. No. 130**

The purpose of this concurrent resolution is to request the Auditor to conduct a management and performance audit of the Employees' Retirement System.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130 and recommends its adoption.

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

**SCRep. 1302      Finance on H.R. No. 89**

The purpose of this concurrent resolution is to request the Insurance Commissioner to do an actuarial analysis of the utilization and rate impacts, if any, of reinstating naturopathy among the personal injury protection benefits in motor vehicle insurance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 89 and recommends its adoption.

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

**SCRep. 1303      Finance on H.C.R. No. 131**

The purpose of this concurrent resolution is to request the Insurance Commissioner to do an actuarial analysis of the utilization and rate impacts, if any, of reinstating naturopathy among the personal injury protection benefits in motor vehicle insurance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 131 and recommends its adoption.

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

**SCRep. 1304      Finance on H.R. No. 90**

The purpose of this resolution is to request the Auditor to conduct a financial and management audit of Connections, Voyager, Lanikai Elementary, Kanu O Ka Aina, West Hawaii Exploration Academy, and Waters of Life charter schools.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 90, H.D. 1, and recommends its adoption.

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

**SCRep. 1305      Finance on H.C.R. No. 132**

The purpose of this concurrent resolution is to request the Auditor to conduct a financial and management audit of Connections, Voyager, Lanikai Elementary, Kanu O Ka Aina, West Hawaii Exploration Academy, and Waters of Life charter schools.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132, H.D. 1, and recommends its adoption.

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

**SCRep. 1306      Finance on H.R. No. 92**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study of the guardians ad litem/attorney statutory fee requirements to determine if there is a more effective model that could be adopted for Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 92, H.D. 1, and recommends its adoption.

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

**SCRep. 1307      Finance on H.C.R. No. 134**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study of the guardians ad litem/attorney statutory fee requirements to determine if there is a more effective model that could be adopted by Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134, H.D. 1, and recommends its adoption.

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

**SCRep. 1308      Finance on H.C.R. No. 151**

The purpose of this concurrent resolution is to request the Department of Transportation, in cooperation with county governments, to develop a plan for the regular maintenance of roads in limbo.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 151, H.D. 1, and recommends its adoption.

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

**SCRep. 1309      Finance on H.R. No. 111**

The purpose of this resolution is to request the Department of Land and Natural Resources to address the concerns of Kokee State Park lessees with expiring leases.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 111, H.D. 1, and recommends its adoption.

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

**SCRep. 1310      Finance on H.C.R. No. 155**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to address the concerns of Kokee State Park lessees with expiring leases.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 155, H.D. 1, and recommends its adoption.

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

**SCRep. 1311      Finance on H.C.R. No. 179**

The purpose of this concurrent resolution is to request development of an action plan to assess and reduce carbon dioxide emissions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179, H.D. 1, and recommends its adoption.

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

**SCRep. 1312      Finance on H.C.R. No. 187**

The purpose of this concurrent resolution is to request the Auditor to evaluate the operational efficiency and programmatic effectiveness of the State's integrated special education database system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 187, H.D. 1, and recommends its adoption.

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

**SCRep. 1313      Finance on H.R. No. 136**

The purpose of this resolution is to request the Department of Transportation to convene a task force to examine ways to control the use of motorized scooters and other motorized devices on sidewalks, highways, and public areas.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 136 and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine and Magaoay.  
(Representatives Moses and Rath voted no.)

**SCRep. 1314            Finance on H.C.R. No. 193**

The purpose of this concurrent resolution is to request the Department of Transportation to convene a task force to examine ways to control the use of motorized scooters and other motorized devices on sidewalks, highways, and public areas.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 193 and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine and Magaoay.  
(Representatives Moses and Rath voted no.)

**SCRep. 1315            Finance on H.R. No. 108**

The purpose of this resolution is to support the development of a biotechnology industry in the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 108 and recommends its adoption.

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

**SCRep. 1316            Finance on H.C.R. No. 150**

The purpose of this concurrent resolution is to support the development of a biotechnology industry in the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150 and recommends its adoption.

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

**SCRep. 1317            Finance on H.C.R. No. 19**

The purpose of this concurrent resolution is to request the board of land and natural resources to issue a long-term lease for the marine fuel facility premises at Ala Wai small boat harbor to provide continued fueling services to the boating public at that location.

The Department of Land and Natural Resources testified in support of this measure. The Ala Wai Marina Board, the Hawaii Boaters Political Action Association, and numerous individuals testified with concerns and opposition.

Your Committee has amended this measure with prior concurrence of the Chair of the Committee on Water and Land Use to clarify that a long-term lease be issued to include a fuel dock facility, and that this concurrent resolution not imply approval of leasing adjacent submerged lands for non-maritime purposes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 19, H.D. 2.

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

**SCRep. 1318            Finance on H.R. No. 24**

The purpose of this measure is to request the Auditor to conduct a review of the Department of Accounting and General Services' Performance Information Procurement System ("PIPS").

The Department of Accounting and General Services ("DAGS") and numerous contractors testified in support.

Your Committee has amended this measure by deleting the request for an Auditor's study, and instead requesting DAGS to form an advisory committee to make recommendations to improve the PIPS system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 24, H.D. 1.

Signed by all members of the Committee except Representatives Takamine and Magaoay.  
(Representative Moses voted no.)

**SCRep. 1319 Finance on H.C.R. No. 42**

The purpose of this measure is to request the Auditor to conduct a review of the Department of Accounting and General Services' Performance Information Procurement System ("PIPS").

The Department of Accounting and General Services ("DAGS") and numerous contractors testified in support.

Your Committee has amended this measure by deleting the request for an Auditor's study, and instead requesting DAGS to form an advisory committee to make recommendations to improve the PIPS system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 42, H.D. 1.

Signed by all members of the Committee except Representatives Takamine and Magaoay.  
(Representative Moses voted no.)

**SCRep. 1320 Finance on H.R. No. 124**

The purpose of this resolution is to request the Auditor to review privatization contracts entered into by certain State and county agencies.

The Hawaii Government Employees Association and numerous individuals testified in support of this measure.

Your Committee has amended this measure by including the departments of Health and Transportation within the scope of the requested study, requesting the Auditor to evaluate both direct and indirect costs of current contracts, and requesting the Auditor to review legislation enacted by various state and county governments to reduce the risk of contracting out.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 124, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 124, H.D. 1.

Signed by all members of the Committee except Representatives Takamine and Magaoay.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1321 Finance on H.C.R. No. 173**

The purpose of this concurrent resolution is to request the Auditor to review privatization contracts entered into by certain State and county agencies.

The Hawaii Government Employees Association and numerous individuals testified in support of this measure.

Your Committee has amended this measure by including the departments of Health and Transportation within the scope of the requested study, requesting the Auditor to evaluate both direct and indirect costs of current contracts, and requesting the Auditor to review legislation enacted by various state and county governments to reduce the risk of contracting out.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 173, H.D. 1.

Signed by all members of the Committee except Representatives Takamine and Magaoay.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1322 Finance on H.C.R. No. 137**

The purpose of this concurrent resolution is to request the Planning Department of the City and County of Honolulu to explore the possibility of constructing a 25-meter pool at the site of the present site of the present Lanakila basketball courts.

Your Committee held a public hearing on a proposed House draft supporting Congress's plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health Assembly in May 2002 in Geneva, Switzerland.

Your Committee received supportive testimony from the Taipei Economic and Cultural Office.

Your Committee has accordingly amended this measure by deleting its contents and title and replacing them with those of the proposed House draft.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 137, H.D. 1.



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

**SCRep. 1323      Finance on H.C.R. No. 56**

The purpose of this concurrent resolution is to request the Department of Education to work in conjunction with the youth of the First Representative District and community agencies in the area to develop community-based youth programs.

Your Committee held a hearing on a proposed House draft requesting the Social Science Research Institute of the University of Hawaii to conduct an assessment of the educational needs of the North Hawaii region.

Testimony in support was received by the University of Hawaii at Hilo.

Your Committee has accordingly amended this measure by deleting its contents and title and replacing them with those of the proposed House draft.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, H.D. 1.

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

**SCRep. 1324      Finance on H.R. No. 96**

The purpose of this resolution is to request the Department of Transportation, in consultation with the police departments of the various counties, to examine the feasibility of establishing a State highway patrol for the purpose of enforcing statewide traffic safety.

Your Committee held a hearing on a proposed House draft requesting the Auditor to conduct a study on voluntary employee benefit associations to determine their feasibility as viable health insurance plans for public employees, retirees, and their dependents.

Your Committee received supportive comments from the Auditor. The HSTA Voluntary Employees Beneficiary Trust testified in opposition.

Your Committee has amended this measure by deleting its contents and title and replacing them with those of the proposed House draft.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 96, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 96, H.D. 1.

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

**SCRep. 1325      Finance on H.C.R. No. 139**

The purpose of this concurrent resolution is to request the Department of Transportation, in consultation with the police departments of the various counties, to examine the feasibility of establishing a State highway patrol for the purpose of enforcing statewide traffic safety.

Your Committee held a hearing on a proposed House draft requesting the Auditor to conduct a study on voluntary employee benefit associations to determine their feasibility as viable health insurance plans for public employees, retirees, and their dependents.

Your Committee received supportive comments from the Auditor. The HSTA Voluntary Employees Beneficiary Trust testified in opposition.

Your Committee has accordingly amended this measure by deleting its contents and title and replacing them with those of the proposed House draft.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 139, H.D. 1.

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

**SCRep. 1326      Public Safety & Military Affairs on H.C.R. No. 121**

The purpose of this concurrent resolution, as received by your Committee, is to urge the people of Hawaii to recognize U.S. military personnel and their families as Hawaii residents.

For purposes of public discussion, your Committee circulated a proposed H.D. 1 version at the public hearing, which deleted the substance of the original measure and inserted provisions requesting the United States Department of Defense to maintain the current structure of the United States Pacific Command.

The Chamber of Commerce of Hawaii submitted testimony supporting the proposed H.D. 1, but recommended an amendment.

Your Committee finds that very recent developments concerning a proposal to alter the structure of the United States Pacific Command may not be in the best interest of our state and could have unintended consequences in the Pacific region. Your Committee also notes that a companion measure on the original measure, Senate Concurrent Resolution No. 106, is still progressing through the Legislature.

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

- (1) Deleting its substance and inserting the provisions of the proposed H.D. 1 to request the United States Department of Defense to maintain the current structure of the United States Pacific Command;
- (2) Changing the title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES DEPARTMENT OF DEFENSE TO MAINTAIN THE CURRENT STRUCTURE OF THE UNITED STATES PACIFIC COMMAND";
- (3) Directing that certified copies of the measure be transmitted to the President of the United States, Governor of Guam, and the Chairman of the U.S. Joint Chiefs of Staff; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 121, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 121, H.D. 1.

Signed by all members of the Committee except representatives Espero, Souki and Pendleton.

**SCRep. 1327      Tourism & Culture on H.R. No. 86**

The purpose of this resolution is to request that United Airlines resume nonstop service between Chicago and Honolulu to improve air travel for visitors to Hawaii and for Hawaii residents.

Dole Food Company Hawaii and a concerned citizen supported this measure.

Your Committee believes that the resumption of nonstop service between Chicago and Honolulu would improve Hawaii's travel industry by making travel to and from Hawaii more efficient and less time consuming.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 86 and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Cabrerros, Case, Magaoay and Ontai.

**SCRep. 1328      Tourism & Culture on H.C.R. No. 125**

The purpose of this concurrent resolution is to request that United Airlines resume nonstop service between Chicago and Honolulu to improve air travel for visitors to Hawaii and for Hawaii residents.

Dole Food Company Hawaii and a concerned citizen supported this measure.

Your Committee believes that the resumption of nonstop service between Chicago and Honolulu would improve Hawaii's travel industry by making travel to and from Hawaii more efficient and less time consuming.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 125 and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Caberros, Case, Magaoay and Ontai.

**SCRep. 1329      Tourism & Culture on H.R. No. 123**

The purpose of this resolution is to oppose the closure of United Airlines' pilot domicile and flight attendant domicile located in Honolulu, Hawaii.

A concerned citizen testified in support of this measure.

Your Committee notes that the domiciles being considered in this measure allow pilots and flight attendants to be based in Hawaii. Keeping these domiciles open helps Hawaii's economy since much of the income earned by highly-paid pilots and flight attendants based here are spent here.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 123, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Cabrerros, Case, Magaoay and Ontai.

**SCRep. 1330          Tourism & Culture on H.C.R. No. 172**

The purpose of this concurrent resolution is to oppose the closure of United Airlines' pilot domicile and flight attendant domicile located in Honolulu, Hawaii.

A concerned citizen testified in support of this measure.

Your Committee notes that the domiciles being considered in this measure allow pilots and flight attendants to be based in Hawaii. Keeping these domiciles open helps Hawaii's economy since much of the income earned by highly-paid pilots and flight attendants based here are spent here.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 172, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Cabrerros, Case, Magaoay and Ontai.

**SCRep. 1331          Tourism & Culture on H.R. No. 127**

The purpose of this resolution is to:

- (1) Recognize and commend the Orion Society for its commitment and efforts toward creating a sustainable society and world; and
- (2) Request the Department of Education, University of Hawaii, State Foundation on Culture and the Arts, and the Office of Environmental Quality Control to assist the Orion Society in creating awareness of, and encouraging participation in, the Forgotten Language Tour conducted by the Orion Society in partnership with the Pacific Writers Connection (PWC).

The PWC and a concerned citizen testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 127 and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Cabrerros, Case, Magaoay and Ontai.

**SCRep. 1332          Tourism & Culture on H.C.R. No. 176**

The purpose of this concurrent resolution is to:

- (1) Recognize and commend the Orion Society for its commitment and efforts toward creating a sustainable society and world; and
- (2) Request the Department of Education, University of Hawaii, State Foundation on Culture and the Arts, and the Office of Environmental Quality Control to assist the Orion Society in creating awareness of, and encouraging participation in, the Forgotten Language Tour conducted by the Orion Society in partnership with the Pacific Writers Connection (PWC).

The PWC and a concerned citizen testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 176 and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Cabrerros, Case, Magaoay, and Ontai.

**SCRep. 1333          Judiciary & Hawaiian Affairs on H.C.R. No. 65**

The purpose of this measure is to encourage the U.S. Navy to continue to carry out its responsibilities with regard to clearing unexploded ordnance on the island of Kahoolawe beyond the date when control of the island is turned over to the State.

Your Committee received testimony in support of this measure from the Kahoolawe Island Reserve Commission and the Office of Hawaiian Affairs.

Your Committee finds that federal involvement in ordnance clearance and environmental restoration must continue beyond November 11, 2003 to assure compliance with previously agreed-upon standards.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65 and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.

**SCRep. 1334          Judiciary & Hawaiian Affairs on H.R. No. 51**

The purpose of this measure is to request that Volunteer Legal Services Hawaii convene a temporary advisory task force to study the legal ramifications of integrating the practice of hanai relationships into statutory law.

Your Committee received testimony in support from the Department of Human Services, the Office of Hawaiian Affairs, Volunteer Legal Services Hawaii, the Committee for Adoption Reform Education, and a concerned individual.

The task force is further requested to review applicable case law, statutory law, and customary and traditional practices related to the hanai relationship, and to submit interim and final reports to the Legislature before the convening of the 2003 and 2004 Regular Sessions, respectively.

Your Committee finds that the ancient Hawaiian system of open adoption called "hanai", in which parents would give their babies to another, usually a relative, to rear and cherish, was recognized by early Hawaiian courts as not including some rights usually associated with an adoptive relationship, such as the right to inherit property.

Despite this historical usage, your Committee finds that it is not uncommon for families today to enter into a hanai relationship without a clear understanding of its legal ramifications. This raises questions as to legal custody and guardianship of the child, often causing problems for state agencies, the courts, and the families and children involved. Your Committee agrees that there is a need for a consistent policy on hanai relationships to protect and preserve the customs and traditions of Hawaiians pursuant to article XII, section 7 of the State Constitution.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 51, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.  
(Representative Gomes voted no.)

#### **SCRep. 1335            Judiciary & Hawaiian Affairs on H.C.R. No. 81**

The purpose of this measure is to request that Volunteer Legal Services Hawaii convene a temporary advisory task force to study the legal ramifications of integrating the practice of hanai relationships into statutory law.

Your Committee received testimony in support from the Department of Human Services, the Office of Hawaiian Affairs, Volunteer Legal Services Hawaii, the Committee for Adoption Reform Education, and a concerned individual.

The task force is further requested to review applicable case law, statutory law, and customary and traditional practices related to the hanai relationship, and to submit interim and final reports to the Legislature before the convening of the 2003 and 2004 Regular Sessions, respectively.

Your Committee finds that the ancient Hawaiian system of open adoption called "hanai", in which parents would give their babies to another, usually a relative, to rear and cherish, was recognized by early Hawaiian courts as not including some rights usually associated with an adoptive relationship, such as the right to inherit property.

Despite this historical usage, your Committee finds that it is not uncommon for families today to enter into a hanai relationship without a clear understanding of its legal ramifications. This raises questions as to legal custody and guardianship of the child, often causing problems for state agencies, the courts, and the families and children involved. Your Committee agrees that there is a need for a consistent policy on hanai relationships to protect and preserve the customs and traditions of Hawaiians pursuant to article XII, section 7 of the State Constitution.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.  
(Representative Gomes voted no.)

#### **SCRep. 1336            Judiciary & Hawaiian Affairs on H.C.R. No. 171**

The purpose of this measure is to request that the Chief Justice of the Hawaii Supreme Court convene a task force to review concerns related to problems with recruitment of and untimely payments to court-appointed counsel.

Your Committee received testimony in support of this measure from the Office of the Public Defender. The Judiciary provided testimony in support of the intent of this measure.

Your Committee finds that indigent litigants' access to adequate representation in court proceedings depends on the availability of capable attorneys who are willing to serve as court-appointed counsel.

Your Committee has amended this measure by:

- (1) Requesting that the Office of the Public Defender convene the task force, rather than the Chief Justice;
- (2) Deleting the Prosecuting Attorney's Office from the list of organizations requested to be included on the task force;
- (3) Removing the recruitment issue; and

- (4) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 171, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 171, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.

**SCRep. 1337            Judiciary & Hawaiian Affairs on H.R. No. 137**

The purpose of this resolution is to reduce unintended pregnancies and induced abortions by requesting that an advisory committee be formed to draft protocols allowing pharmacists to dispense emergency contraception without a prior prescription from a physician.

Your Committee received testimony in support of the measure from the Hawaii State Commission on the Status of Women, the Board of Pharmacy, the ACLU Hawaii, Planned Parenthood of Hawaii, Kaiser Permanente, Healthy Mothers, Healthy Babies Coalition of Hawaii, and concerned individuals.

Your Committee finds that emergency contraception is an important tool for reducing unplanned pregnancies resulting from failure of contraceptives, failure to use contraceptives, or sexual assaults. In addition, induced abortions subsequent to unintended pregnancies could be avoided if emergency contraceptive measures were more readily available.

Your Committee has amended the resolution by deleting the statement that emergency contraception is not abortion because the primary purpose of this resolution is towards access to care and references that emergency contraception does not constitute abortion merely complicates this matter without serving to further the main purposes herein.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 137, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 137, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.

**SCRep. 1338            Judiciary & Hawaiian Affairs on H.C.R. No. 194**

The purpose of this resolution is to reduce unintended pregnancies and induced abortions by requesting that an advisory committee be formed to draft protocols allowing pharmacists to dispense emergency contraception without a prior prescription from a physician.

Your Committee received testimony in support of the measure from the Hawaii State Commission on the Status of Women, the Board of Pharmacy, the ACLU Hawaii, Planned Parenthood of Hawaii, Kaiser Permanente, Healthy Mothers, Healthy Babies Coalition of Hawaii, and concerned individuals.

Your Committee finds that emergency contraception is an important tool for reducing unplanned pregnancies resulting from failure of contraceptives, failure to use contraceptives, or sexual assaults. In addition, induced abortions subsequent to unintended pregnancies could be avoided if emergency contraceptive measures were more readily available.

Your Committee has amended the resolution by deleting the statement that emergency contraception is not abortion because the primary purpose of this resolution is towards access to care and references that emergency contraception does not constitute abortion merely complicates this matter without serving to further the main purposes herein.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 194, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.

**SCRep. 1339            Education on H.R. No. 106**

The purpose of this resolution is to designate September 23-27, 2002, as "Kids Voting Hawaii Week."

The Department of Education, Kids Voting Hawaii, and Rotary International submitted testimony in support of this measure.

Your Committee finds that voting is an important right that needs to be exercised for the State to run properly. Hawaii's voter turnout has been particularly poor in recent years, and educating children about voting at an early age will help them to exercise their rights and responsibilities in the democratic process.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 106 and recommends its adoption.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski and McDermott.

**SCRep. 1340            Education on H.C.R. No. 148**

The purpose of this concurrent resolution is to designate September 23-27, 2002, as "Kids Voting Hawaii Week."

The Department of Education, Kids Voting Hawaii, and Rotary International submitted testimony in support of this measure.

Your Committee finds that voting is an important right that needs to be exercised for the State to run properly. Hawaii's voter turnout has been particularly poor in recent years, and educating children about voting at an early age will help them to exercise their rights and responsibilities in the democratic process.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 148 and recommends its adoption.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski and McDermott.

**SCRep. 1341      Education on H.C.R. No. 106**

The purpose of this concurrent resolution is to urge the President of the United States and Congress to fully fund the Individuals With Disabilities Education Act (IDEA).

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

Your Committee finds that when IDEA was passed, Congress pledged to fund approximately 40 percent of the cost of special education. To date, the State has received from the federal government less than 15 percent of the funding for services required under IDEA. The failure to fund these mandated services at a satisfactory level has put a tremendous strain on Hawaii and other states. Your Committee urges the federal government to follow through on its promise to fund IDEA at the 40 percent level.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 106 and recommends its adoption.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski and McDermott.

**SCRep. 1342      Education on H.C.R. No. 101**

The purpose of this concurrent resolution is to request that a working group be convened to evaluate and recommend measures to encourage the use of safety programs such as the Eddie Eagle program for firearm safety.

The Hawaii Rifle Association, Lessons In Firearms Education, and two individuals submitted testimony in support of this measure. Keiki Injury Prevention Council and an individual submitted testimony in opposition to this measure.

Your Committee finds that ensuring the safety of children is of paramount importance. Programs such as "Eddie Eagle" educate children on firearm safety and help reduce the likelihood of accidental injuries and death caused by firearms.

Upon further consideration, your Committee has amended this measure by specifying that the working group is requested to be convened by the Crime Prevention and Justice Assistance Division of the Office of the Attorney General rather than the Department of Health's Keiki Injury Prevention Council.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 101, H.D. 1.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski and McDermott.

**SCRep. 1343      Education on H.C.R. No. 37**

The purpose of this concurrent resolution, as received, is to urge the Department of Education (DOE) and the Department of Health (DOH) to negotiate the introduction of healthy juices and snacks into the dispensing machines allowed in Hawaii public schools.

The Vegetarian Society of Hawaii, Hawaii Dietetic Society, and two individuals submitted testimony in support of this measure. DOE submitted testimony in support of this measure with amendments.

Your Committee finds that students in public schools should be encouraged to consume more healthful foods and beverages as dental problems and obesity have become increasing problems among Hawaii's youth. However, your Committee notes that some of the information contained in this measure inaccurately reflects the availability of snacks via vending machines on school campuses.

Accordingly, your Committee has amended this bill by:

- (1) Changing the title to read: "HOUSE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HEALTH TO INTRODUCE HEALTHFUL JUICES AND SNACKS ON HAWAII SCHOOL PREMISES";
- (2) Deleting references to snacks being currently provided in vending machines on school campuses;

- (3) Urging DOE and DOH to ensure that snacks and beverages made available to students at school through sources other than vending machines are healthful; and
- (4) Making other technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 37, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Abinsay, Schatz, Bukoski, Halford and McDermott.

**SCRep. 1344                      Education on H.R. No. 46**

The purpose of this resolution, as received by your Committee, is to request Congress to reform the Individual with Disabilities in Education Act.

For purposes of receiving public testimony, your Committee circulated a proposed H.D. 1 version that deletes its substance and inserts provisions requesting the Department of Education (DOE) to conduct a comprehensive occupational validation study of educational officers and develop a market-based recruitment and retention plan.

The Hawaii Government Employees Association submitted testimony in opposition to this measure. DOE submitted comments on this measure. The Christian Science Committee on Publication for Hawaii submitted testimony in support of the original draft of this measure.

Your Committee has amended this measure by inserting the contents of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 46, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 46, H.D. 1.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski and McDermott.

**SCRep. 1345                      Education on H.C.R. No. 77**

The purpose of this concurrent resolution, as received by your Committee, is to request Congress to reform the Individual with Disabilities in Education Act.

For purposes of receiving public testimony, your Committee circulated a proposed H.D. 1 version that deletes its substance and inserts provisions requesting the Department of Education (DOE) to conduct a comprehensive occupational validation study of educational officers and develop a market-based recruitment and retention plan.

The Hawaii Government Employees Association submitted testimony in opposition to this measure. DOE submitted comments on this measure. The Christian Science Committee on Publication for Hawaii submitted testimony in support of the original draft of this measure.

Your Committee has amended this measure by inserting the contents of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski and McDermott.

**SCRep. 1346                      Consumer Protection & Commerce on H.C.R. No. 108**

The purpose of this House Concurrent Resolution, as amended by the Committee on Energy and Environmental Protection, is to request the Auditor to conduct a management audit of the Public Utilities Commission (PUC) to assess:

- (1) The adequacy of the present regulatory process in dealing with issues, developments in complex and changing areas, such as telecommunications, energy deregulation, and intergovernmental relations; and
- (2) The role of the management of PUC and the Division of Consumer Advocacy in terms of providing technical and analytical staff support in case management and enforcement of PUC rules.

Testimony in support of this concurrent resolution was received from the Public Utilities Commission. The Division of Consumer Advocacy supported the intent of the resolution, with the provision that the audit focus only on management matters. Life of the Land, the Hawaii Renewable Energy, Alliance, and an individual testified in strong support of this resolution.

Your Committee finds that previous audits of the PUC have found serious organizational, procedural, and staffing deficiencies in its management. Your Committee further finds that recent technological advances in such areas as telecommunications and electrical restructuring increase PUC's complexities of regulatory management, thus requiring a reexamination of the role of its regulatory activities in better meeting the challenges of technological changes in an ever-changing global economy.

This Concurrent Resolution proposes that the Auditor conduct a management audit of the PUC to determine the adequacy of the present utility regulatory process in dealing with issues, problems and developments in complex and changing areas, such as telecommunications, energy deregulation, and intergovernmental relations. The PUC management audit shall also include the role of the PUC and the Division of Consumer Advocacy in providing technical and analytical staff support in case management and enforcement of PUC's rules.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Kanoho, Souki, Yoshinaga, Meyer and Whalen.

**SCRep. 1347      Judiciary & Hawaiian Affairs on H.R. No. 103**

The purpose of the resolution to request the Legislative Reference Bureau to study DNA testing on Class A and B felons as an approach to crime-solving and criminal deterrence.

Your Committee received testimony in support from the Honolulu Police Department.

Your Committee finds that in limited circumstances involving criminal matters, DNA samples are compelled from individuals. The collected data is a comparison base for investigating other criminal matters. A broader sample base will increase random matches and improve criminal investigation. A study into expanding the group of individuals subject to testing would provide insight into whether Class A and B felons should be included.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 103 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.

**SCRep. 1348      Judiciary & Hawaiian Affairs on H.C.R. No. 145**

The purpose of the resolution to request the Legislative Reference Bureau to study DNA testing on Class A and B felons as an approach to crime-solving and criminal deterrence.

Your Committee received testimony in support from the Honolulu Police Department.

Your Committee finds that in limited circumstances involving criminal matters, DNA samples are compelled from individuals. The collected data is a comparison base for investigating other criminal matters. A broader sample base will increase random matches and improve criminal investigation. A study into expanding the group of individuals subject to testing would provide insight into whether Class A and B felons should be included.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Case, Souki, Yoshinaga and Thielen.

**SCRep. 1349      Public Safety & Military Affairs on S.C.R. No. 44**

The purpose of this concurrent resolution is to request the Army National Guard (ANG) and other agencies of the State of Hawaii to provide logistical and transportation support and training to the emergency environmental workforce when possible.

Your Committee received testimony in support of this measure from the Hawaii Army National Guard and the Emergency Environmental Workforce (EEW).

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

- (1) Deleting all references to providing training for the EEW;
- (2) Changing its title to read: "SENATE CONCURRENT RESOLUTION REQUESTING THE ARMY NATIONAL GUARD AND OTHER AGENCIES OF THE STATE OF HAWAII TO PROVIDE LOGISTICAL AND TRANSPORTATION SUPPORT TO THE EMERGENCY ENVIRONMENTAL WORKFORCE WHEN POSSIBLE"; AND
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

The Hawaii Army National Guard and EEW are in agreement with this amendment to remove training from the scope of the measure and cognizant of the various applicable federal limitations placed upon the type of support desired.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 44, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Energy and Environmental Protection, in the form attached hereto as S.C.R. No. 44, S.D. 1, H.D. 1.



Signed by all members of the Committee except Representative Souki.

**SCRep. 1350          Tourism & Culture on S.C.R. No. 34**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to study the level and scope of private sector spending related to advertising and promotion of Hawaii as a visitor destination. Specifically, this measure:

- (1) Requires that information be reported by sectors of the industry in order to preserve the confidentiality of the financial information;
- (2) Requires the LRB to seek the assistance of the Department of Business, Economic Development, and Tourism (DBEDT), the Hawaii Tourism Authority (HTA), and private organizations in conducting the study; and
- (3) Requires the LRB to report its findings to the Legislature prior to the Regular Session of 2003.

The DBEDT supported this measure. The HTA supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, S.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Abinsay, Cabrerros, Case, Magaoay, and Ontai.

**SCRep. 1351          Human Services and Housing on S.C.R. No. 108**

The purpose of this concurrent resolution is to reaffirm the Legislature's support of the Housing and Community Development Corporation of Hawaii's (HCDCH) 2002 HOPE VI revitalization grant application for Kuhio Park Terrace (KPT), and to urge the United States Housing and Urban Development to act favorably on the application.

HCDCH and the Building Industry Association of Hawaii testified in support of this measure.

Your Committee finds that KPT is one of the State's most troubled public housing projects. HCDCH worked with KPT residents and the community to prepare a master plan that will transform KPT into a vibrant, supportive, and sustainable community. The HOPE VI grant will help the master plan become a reality.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1352          Human Services and Housing and Health on S.C.R. No. 65**

The purpose of this concurrent resolution is to request Congress to enact legislation requiring Medicare to cover all oral anticancer drugs.

The American Cancer Society testified in support of this measure.

Your Committees find that some of the more effective anticancer drugs are not covered by Medicare and can be cost-prohibitive. Medicare coverage of oral anticancer drugs would assist many of the elderly with cancer and allow them to seek more effective treatment.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 65 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1353          Agriculture on S.C.R. No. 110**

The purpose of this concurrent resolution is to request the United States Department of Agriculture's Animal and Plant Health Inspection Service to work with the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR), Department of Agriculture (DOA), Hawaii Agriculture Research Center, and Hawaii Farm Bureau Federation (HFBF) to develop and implement a plan for the eradication of pest fruit flies from the State of Hawaii.

The DOA and HFBF supported this measure. UH-CTAHR supported the intent of this measure.

Your Committee recognizes the serious threat to Hawaii's agricultural industry posed by fruit flies and supports efforts to address this critical problem.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 110 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Suzuki, and Takumi.

**SCRep. 1354            Agriculture on S.C.R. No. 50**

The purpose of this concurrent resolution is to declare that all agricultural lands and their components are considered an essential industry and important contributor to Hawaii's economy. In addition, this measure declares that it is the intent of the Legislature to provide for the creation of permanent agricultural areas to serve the long-term needs of the agricultural community and the citizens of Hawaii.

The Hawaii Farm Bureau Federation, Pineapple Growers Association of Hawaii, and Hawaii's Thousand Friends supported this measure. The Department of Agriculture supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 50 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Suzuki and Takumi.

**SCRep. 1355            Health on S.C.R. No. 75**

The purpose of this concurrent resolution is to request the Patient Safety Task Force of the Healthcare Association of Hawaii to submit a report to the Legislature of its efforts to reduce medical errors.

For discussion purposes, your Committee circulated a proposed H.D. 1 at the public hearing that replaced the contents of S.C.R. 75, S.D. 1, with those of H.C.R. 124, H.D. 1. Specifically, the proposed H.D. 1 requests the Office of Planning (OP) to convene a Task Force to examine and develop an action plan that more effectively and reliably improves food security in Hawaii.

The Department of Human Services (DHS), Full Plate, Inc., and Aloha Harvest testified in support of the proposed H.D. 1. OP supported the intent of the proposed H.D. 1.

Your Committee finds that food security is an emerging issue in Hawaii. While Hawaii's Food Stamp Program reaches almost 100 percent of eligible individuals, it is a federal program and DHS has very little voice in how the Food Stamp Program is run or how the money is expended. Individuals that are food insecure do not always qualify for food stamps.

Your Committee has amended this measure by:

- (1) Changing the title to read: REQUESTING THE OFFICE OF PLANNING TO CONVENE A FOOD SECURITY TASK FORCE TO DEVELOP AN ACTION PLAN TO ENHANCE FOOD SECURITY IN HAWAII; and
- (2) Deleting the contents of this measure and inserting the provisions of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 75, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 75, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1356            Judiciary & Hawaiian Affairs on S.C.R. No. 109**

The purpose of this Resolution is to request the Judiciary to report on its progress in meeting the requirements of Act 206, Session Laws of Hawaii 1998, that established the mandatory crime victim compensation fee that is imposed on defendants.

The Judiciary and the Crime Victim Compensation Commission submitted testimony in support of this measure.

Your Committee finds that there is a discrepancy between the amount of mandatory fees that could have been collected by the courts and the actual amount collected. Your Committee further finds that the collection of the crime victim compensation fee is essential to enable the Crime Victim Compensation Commission to become fiscally independent.

The Judiciary's report is to include the following specific information:

- (1) The actual versus estimated compensation fee collections and the method of estimation;
- (2) The number of eligible cases in which the fee was ordered;
- (3) The number of eligible cases in which the fee was collected; and
- (4) The number of eligible cases in which the fee was waived, and the criteria used for waiving the fee.

The Judiciary is requested to report its findings to the Legislature no later than twenty days before the convening of the Regular Session of 2003.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Case, Chang, Yoshinaga, and Whalen.

**SCRep. 1357      Judiciary & Hawaiian Affairs on S.C.R. No. 113**

The purpose of this measure is to request the Auditor to conduct an audit of methodologies used by state agencies with ceded land leases under their jurisdiction to verify ceded land revenues.

In conducting this audit, the Auditor is requested to place particular emphasis on reliability and on consistency with generally accepted accounting principles.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs. The Board of Land and Natural Resources and the Department of Transportation commented on this measure.

Your Committee finds an assessment of accounting methods will provide clarity and enhance progress toward a determination of the correct share of ceded lands revenues to be paid to the Office of Hawaiian Affairs for the betterment of conditions of native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 113, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Case, Chang, Yoshinaga, and Whalen.

**SCRep. 1358      Judiciary & Hawaiian Affairs on S.C.R. No. 100**

The purpose of this Concurrent Resolution is to study the guardians ad litem/attorney statutory fee requirements in Hawaii.

Specifically, the Concurrent Resolution requests:

- (1) That the Legislative Reference Bureau study current practices in Hawaii and on the mainland to find an effective and economical means to compensate guardians ad litem and attorneys appointed under chapter 587, Hawaii Revised Statutes, with the study to include an analysis of the adequacy of fees paid to guardians ad litem in view of their duties; and
- (2) That the Auditor conduct an audit of the Family Court compensation system for guardians ad litem under chapter 587, Hawaii Revised Statutes, with the audit to include:
  - (A) An analysis of fees paid to guardians ad litem in view of their duties;
  - (B) A determination whether families of children subject to family court jurisdiction also pay guardians ad litem; and if so,
  - (C) A recommendation to prohibit or prevent such payments.

Your Committee received testimony in support of this measure from the Hawaii State Bar Association and a concerned individual. The Judiciary provided testimony in support of the portion of this Concurrent Resolution that requests a study by the Legislative Reference Bureau as to less costly methods to compensate guardian ad litem and court-appointed attorneys.

Your Committee finds that fees expended to compensate guardians ad litem and counsel consistently exceed budgeted amounts. An analysis of compensation options could help the courts address existing problems, and ultimately enhance delivery of legal services to needy individuals.

Your Committee has amended this measure by:

- (1) Adding several references to "counsel" to make it clear that the review will cover attorney and guardian ad litem compensation; and
- (2) Amending the title and deleting provisions that were not contained in the resolution as originally introduced, including the requested audit by the Auditor.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 100, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 100, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Case, Chang, Yoshinaga, and Whalen.

**SCRep. 1359      Energy & Environment Protection on S.C.R. No. 169**

The purpose of this concurrent resolution is to request the Public Utilities Commission (PUC) to establish the Power Quality Task Force study issues relating to power quality in Hawaii.

Life of the Land submitted testimony in support of this measure. Kauai Electric submitted testimony in support of the intent of this measure. The Consumer Advocate, PUC, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company submitted comments on this measure.

Your Committee notes that power quality is of extreme importance as many sectors of the economy rely heavily on computers and other sensitive electrical equipment. Poor power quality can lead to financial losses and disrupt services provided by many businesses.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting the provisions of H.C.R. No. 93, H.D. 1. As amended, this measure:

- (1) Requests the PUC to either initiate a docket (Docket) or convene a task force on power quality (Task Force) to develop and implement a plan to improve power quality to meet the needs of modern commerce;
- (2) Requests the PUC to invite or consult with representatives from:
  - (A) The Department of Business, Economic Development, and Tourism;
  - (B) The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs;
  - (C) County energy offices;
  - (D) Hawaii Chamber of Commerce;
  - (E) Independent power producers;
  - (F) Hawaiian Electric Company;
  - (G) Kauai Electric;
  - (H) Citizen-consumer advocate organizations; and
  - (I) Renewable energy advocate groups;
- (3) Includes in the scope of the Docket or Task Force:
  - (A) An examination of the present status of power quality in Hawaii;
  - (B) The root causes of poor power quality;
  - (C) Whether General Order No. 7 and proposed Chapter 6-70 meet current national standards for electric utility service;
  - (D) Current grievances by customers relating to poor power quality and its reporting, response, and resolution procedures, and, if necessary, plans to improve poor power quality;
  - (E) Measurements to determine the power quality characteristics of all utility and non-utility generators with access to the distribution and transmission system;
  - (F) Whether equipment should be added to the electric grid to strengthen power quality;
  - (G) Whether interconnection nodes should have monitoring devices to obtain power quality measurements; and
  - (H) Whether legislation is required to address power quality issues;
- (4) Requests the PUC to report its findings and recommendations to the Legislature at least 20 days prior to the convening of the Regular Session of 2003; and
- (5) Changes the title to read: "REQUESTING THE PUBLIC UTILITIES COMMISSION TO INITIATE A DOCKET OR CONVENE A TASK FORCE ON POWER QUALITY TO MEET THE NEEDS OF MODERN COMMERCE".

Other technical, nonsubstantive amendments were made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 169, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Bukoski.

**SCRep. 1360      Transportation on S.C.R. No. 142**

The purpose of this concurrent resolution is to request that the Governor convene a task force to assess the feasibility of establishing a light rail system on Oahu.

The Department of Transportation supported the intent of this measure.

Traffic congestion on Oahu has been an increasing problem for daily commuters often creating unbearable situations. Commuters are often on the roadways for hours creating economic and familial hardships. Your Committee finds that the State must examine alternative forms of transportation, in addition to the present bus system, in order to alleviate some of this congestion.

However, your Committee feels that the task force created by this concurrent resolution should report to the Legislature prior to the Regular Session of 2003 so that action can be taken on any of the task force's recommendations.

Accordingly, your Committee has amended this measure by requesting the task force to submit a report of its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2003.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 142 as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 142, H.D. 1.

Signed by all members of the Committee except Representatives Nakasone, Yoshinaga and Pendleton.

**SCRep. 1361      Water & Land Use on S.C.R. No. 36**

The purpose of this concurrent resolution is to support the acquisition by the United States National Park Service of Kahuku Ranch on the island of Hawaii. The ranch consists of approximately 117,000 acres and is up for sale.

Your committee finds that the Kahuku Ranch parcel contains outstanding geological, biological, cultural, scenic, and recreational value and is the sole habitat for at least four threatened and endangered bird species endemic to Hawaii. Within the Ki'īlae lands which the National Park Service is seeking to acquire, more than 800 archeological sites, structures, and features have been identified.

Your committee further finds that acquisition of these lands would give the National Park Service an excellent opportunity to expand and protect native plants and archeological sites.

The Nature Conservancy of Hawaii provided testimony in support of this measure and the Trust for Public Land provided written testimony, also in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 36, and recommends its adoption.

Signed by all members of the Committee except Representatives Schatz and Meyer.

**SCRep. 1362      Water & Land Use on S.C.R. No. 68**

The purpose of this measure is to authorize the Board of Land and Natural Resources to designate approximately one hundred fifty acres of public lands in South Hilo as an industrial park.

Testimony in support of this measure was received from the Department of Land and Natural Resources (DLNR).

The designated area is located in the South Hilo industrial area south of the old Hilo airport and is currently being used for various industrial purposes, including the JAS Glover quarry and concrete manufacturing operations, a Meadow Gold processing plant, a county baseyard, and a warehouse facility. Additional State-owned lands to the north and east of the quarry site are vacant and available for expanded industrial uses but development will require roadway improvements and utility infrastructure.

Your committee finds that designation of the subject area as an industrial park will assist DLNR in master planning the area as an industrial park and in constructing the needed infrastructure and access to serve the industrial park and other surrounding areas. Once the area is designated as an industrial park, DLNR may negotiate long-term leases with current tenants of the area, including JAS Glover, Ltd. which occupies approximately forty-five acres within the subject area under a month-to-month revocable permit and is agreeable to contributing towards construction of portions of a main access roadway as a condition to the issuance of a long term lease.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Schatz and Meyer.

**SCRep. 1363      Energy & Environment Protection and Water & Land Use on S.C.R. No. 95**

The purpose of this concurrent resolution is to extend legislative support for the goals of the Hawaii Watchable Wildlife Program, and to encourage collaboration among all government agencies, as well as non-profit organizations, and the private sector in promoting responsible wildlife viewing and nature-based tourism that benefit the people of Hawaii.

The Department of Land and Natural Resources and the Hawaii Watchable Wildlife Program testified in support of this measure.

The Watchable Wildlife Program was started in 1989 and has created guidebooks and other resources for the public that identify the best places to watch wildlife in the State. These guidebooks serve as an important resource for the large number of tourists attracted to Hawaii's biological diversity and natural splendor. This resource also allows residents to experience Hawaii's unique environment.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 95 and recommend its adoption.

Signed by all members of the Committee except Representatives Ito and Bukoski.

**SCRep. 1364                      Energy & Environment Protection on S.C.R. No. 44**

The purpose of this concurrent resolution is to request that the Army National Guard, Department of Defense, and all other government agencies of the State of Hawaii provide the Emergency Environmental Workforce (Workforce) with logistic and transportation support whenever such assistance is possible, feasible, and not inconsistent with federal law.

The Department of Defense supported this measure.

Your Committee recognizes that the Workforce has already made a positive impact for the people of Hawaii by providing short-term employment for those adversely affected by the recent economic slowdown, as well as improving and protecting Hawaii's natural environment. However, to carry out their duties, members of the Workforce must often travel to the farthest reaches of each island of the State. Transportation and logistical assistance requested under this measure would prove valuable in supporting the operations of the Workforce.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 44, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ito and Bukoski.

**SCRep. 1365                      Transportation on S.C.R. No. 43**

The purpose of this measure is to encourage state agencies to do everything possible to foster competition and new entrants in the interisland air transportation market.

Your Committee finds that the September 11, 2001, terrorist attacks significantly adversely affected the State's already weakened economy, particularly the airline and visitor industries. This, coupled with consideration of a merger between Aloha Airlines and Hawaiian Airlines earlier this year, has served as a warning signal to the State of the critical need to protect Hawaii's interisland air service market and to foster competition within that market to better serve Hawaii's residents and visitors.

Your Committee further finds that, during the 2001 Regular Session, the Legislature passed legislation authorizing the Governor, mayors, and heads of public jurisdictions to contract services to private entities as appropriate and authorizing the Board of Land and Natural Resources, subject to approval, to issue leases for small boat harbors and other boating facility properties for maritime and non-maritime related activities. With respect to state boating facilities, your Committee notes that the Auditor has reported that more than \$130,000,000 is needed for repair and maintenance of the various facilities maintained and operated by the Department of Land and Natural Resources, Division of Boating. Moreover, in numerous reports dating back to 1993, the Auditor has continually emphasized the need to rectify inadequacies in the state boating facilities by correcting operational deficiencies in the boating facilities program.

Furthermore, your Committee is cognizant that private companies continue to express interest in managing and redeveloping the marina areas in Hawaii, and are committed to investing tens of millions of dollars in construction projects within the Honokohau small boat harbor. In view of the limited state funds available, this may be the only means to effect the needed repairs and development of this valuable state resource. Your Committee believes that the creation of additional jobs, increased tax revenues, and the value added to existing facilities produced by any private capital investment in these small boat facilities would be a great benefit to the State during this time of economic uncertainty.

Accordingly, your Committee has amended this measure to encourage all relevant state agencies to take action on transportation issues that affect the economy and, more specifically, to:

- (1) Foster competition in the interisland air transportation market, including offering counter space and other facilities at Hawaii's airports to potential airline market entrants; and
- (2) Authorize the Board of Land and Natural Resources to lease submerged and tidal lands of the Honokohau small boat harbor to private entities as it deems necessary for commercial, recreational, educational, and research purposes, consistent with all applicable state and federal laws.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 43, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 43, H.D. 1.

Signed by all members of the Committee except Representatives Nakasone, Yoshinaga and Pendleton.

**SCRep. 1366                      Health and Higher Education on S.C.R. No. 71**

The purpose of this concurrent resolution is to express support for a women's health platform that recognizes serious inequities in the health prevention and treatment of women and to call for the elimination of inequities to improve the health status of women in Hawaii.

The Department of Health (DOH) supported the intent of this measure.

Your Committees finds that much can be done to address the complex litany of social, emotional, biological, and environmental issues that confront women. This measure is a first step to improve the health status of women and to assist DOH in strengthening its women's health program.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 71 and recommend that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1367      Health and Human Services and Housing on S.C.R. No. 37**

The purpose of this concurrent resolution is to request the Auditor to conduct a study to determine the appropriate state agency to oversee both the funding and regulation of adult residential care home (ARCH) and foster home facilities.

The Hawaii Coalition of Care Home Administrators testified in support of this measure.

Your Committees find that ARCHs and foster homes are an important option for individuals requiring living assistance and would like to ensure that these facilities are run as efficiently as possible.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 37, S.D. 1, and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1368      Health on S.C.R. No. 17**

The purpose of this concurrent resolution is to request the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage for mental disorders.

The Hawaii Medical Association and Hawaii Psychological Association testified in support of this measure. The Department of Health supported the intent of this measure.

Your Committee finds that psychiatric disorders have not been considered a core benefit provided by health insurance companies. Parity between mental health, physical health, and substance abuse treatment would fulfill the complete health care needs of many in Hawaii.

Your Committee notes that a bill was introduced this session that would require health insurance companies to provide coverage for psychiatric and addiction disorders. Your Committee respectfully requests that the Auditor pursue the requested assessment regardless of whether the bill passes, as mental disorders are issues of growing importance and further study is required to determine if the mental health care needs of Hawaii's citizens are being met.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17, S.D. 2, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1369      Health on S.C.R. No. 60**

The purpose of this concurrent resolution, as received, is to request the Department of Health, in consultation with the Hawaii Psychiatric Association and Hawaii Psychological Association, to develop a strategic plan for coordination of residential treatment services for adolescents with substance abuse and mental disorders.

Your Committee circulated a proposed H.D. 1 at the public hearing that deleted the substance of the original measure and inserted provisions to convene a legislative task force to conduct a study of existing statutory and regulatory frameworks for all state programs involved with and providing long-term care services for Hawaii's elderly.

The Healthcare Association of Hawaii and the Hawaii Coalition of Care Home Administrators testified in support of the proposed H.D. 1. The State Council on Developmental Disabilities supported the intent of the proposed H.D. 1. The Executive Office on Aging (EOA) submitted comments.

Your Committee finds that long-term care is a growing concern in Hawaii as the population ages. Your Committee believes it is imperative to assess Hawaii's long-term care situation to maximize resources and to provide a continuum of care for the elderly.

Your Committee has amended this measure by:

- (1) Replacing its contents with those of the proposed H.D. 1; and
- (2) Changing its title to: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF STATE PROGRAMS INVOLVED WITH OR PROVIDING LONG-TERM CARE SERVICES FOR HAWAII'S ELDERLY."

Your Committee further amended this measure by:

- (1) Requesting EOA to convene the committee and select members;
- (2) Amending the list of agencies requested to participate;
- (3) Increasing the number of members on the committee to 15; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 60, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

**SCRep. 1370      Health on S.C.R. No. 48**

The purpose of this concurrent resolution, as received, is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for naturopaths, acupuncturists, and chiropractors.

The Institute of Clinical Acupuncture and Oriental Medicine, Hawaii Society of Naturopathic Physicians, Hawaii Acupuncture Association, and numerous concerned individuals testified in support of this measure.

The Hawaii Medical Association opposed this measure.

Your Committee finds that many individuals rely on alternative medicine, and some spend more money on alternative medicine than they do on traditional medicine. However, most alternative therapies are not covered by most insurance plans.

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

- (1) Amending the title to read: "REQUESTING THE AUDITOR TO REASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR SERVICES PROVIDED BY COMPLEMENTARY ALTERNATIVE CARE PROVIDERS";
- (2) Specifying that the Auditor is requested to conduct the study based on compiling existing studies and reassessing the information rather than conducting a new study;
- (3) Broadening the scope to include other providers such as massage therapists by using the term "complementary alternative care providers"; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 48, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Kahikina and Auwae.

**SCRep. 1371      Health on S.C.R. No. 63**

The purpose of this concurrent resolution, as received, is to request the Governor to convene a state panel to develop a standard payment rate for mental health services provided to children under state contracts.

The Hawaii Psychological Association, State Procurement Office, and a concerned individual testified in support of the intent of this measure.

Prior to the public hearing, your Committee circulated a proposed H.D. 1 that deleted the substance of the original measure and instead requested the Department of Health to convene a task force to study the feasibility of regulating tobacco products as a harmful consumer product.

The Department of Health (DOH) testified in support of this proposed H.D. 1.



Your Committee finds that DOH is presently unable to obtain information regarding the constituency and nicotine ratings of tobacco products from manufacturers due to proprietary and legal concerns. Thus, DOH would be hard pressed to regulate these products as harmful consumer products.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting provisions requesting DOH to convene a task force to study the feasibility of regulating tobacco as a harmful consumer product; and
- (2) Changing its title to: "SENATE CONCURRENT RESOLUTION REQUESTING THAT A TASK FORCE BE CONVENED TO STUDY THE FEASIBILITY OF HAVING THE DEPARTMENT OF HEALTH REGULATE TOBACCO AS A CONSUMER PRODUCT."

Other technical, nonsubstantive amendments were also made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 63, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

#### **SCRep. 1372      Human Services and Housing on S.C.R. No. 102**

The purpose of this concurrent resolution is to request a review of the health care needs of West Maui Residents.

Prior to the public hearing, your Committee circulated a proposed H.D. 1, which deleted its substance and inserted provisions requesting the United States Congress and the Department of the Interior, Office of Insular Affairs, for reimbursement for assisting lawful nonimmigrants from the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

The Department of Health and the Department of Human Services testified in support of the proposed H.D.1.

Your Committee recognizes that lawful nonimmigrants should be eligible for financial assistance and the federal government should pay its share of the cost.

Your Committee has amended this concurrent resolution by:

- (1) Deleting its contents and inserting the substance of the proposed H.D. 1;
- (2) Changing the title to read: "REQUESTING FEDERAL REIMBURSEMENT RESULTING FROM THE IMPACT OF LAWFUL NONIMMIGRANTS FROM THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND PALAU OVER THE PAST 15 YEARS AND ADEQUATE FINANCIAL ASSISTANCE TO AMELIORATE ANY FURTHER IMPACT";
- (3) Clarifying the amount that the State has spent on health, education, and other social services for Freely Associated States' residents; and
- (4) Providing an estimate of the State's uncompensated costs of providing social welfare benefits per year;
- (5) Referencing Congress' intent in approving the Compacts of Free Association and its intent to reimburse the State for expenses incurred for education and social services for immigrants from the Marshall Islands and the Federated State of Micronesia; and
- (6) Requesting Congress to reimburse Hawaii in the amount of \$100,000,000 for the expenses incurred for providing social and education services to Micronesians and Marshall Islanders who migrated to Hawaii over the past 15 years.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.

#### **SCRep. 1373      Health and Human Services and Housing on S.C.R. No. 69**

The purpose of this concurrent resolution is to request the State to allocate additional funding for the Residential Alternative Community Care Program to increase the level of matching federal funds.

A concerned individual submitted testimony in support of this measure. The Department of Human Services supported the intent of this measure.

After further discussion, your Committees have amended this measure by:

- (1) Changing the title to read: "REQUESTING THE UNITED NATIONS TO CONSIDER THE ESTABLISHMENT IN HAWAII, OF A CENTER FOR THE HEALTH, WELFARE, AND EDUCATION OF CHILDREN, YOUTH, AND FAMILIES FOR

ASIA AND THE PACIFIC AND REQUESTING SUPPORT FOR THE CENTER FROM THE PRESIDENT AND THE UNITED STATES CONGRESS"; and

(2) Inserting the contents of H.C.R. No. 123.

Other technical, nonsubstantive amendments were made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 69, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representative Yonamine.  
(Representative Stonebraker voted no.)

**SCRep. 1374      Economic Development & Business Concerns and Tourism & Culture on S.C.R. No. 161**

The purpose of this concurrent resolution is to request the Governor to take all necessary actions to establish a sister-state affiliation with the municipality of Tianjin in the People's Republic of China.

The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committees support any future efforts by the Governor to rename the "sister-state relationship" with Tianjin to a "friendship city cooperative and exchange" if this is deemed a more proper and desirable description of the relationship with Tianjin.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism and Culture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 161, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Takumi, Davis, and Ontai.

**SCRep. 1375      Judiciary & Hawaiian Affairs on S.C.R. No. 101**

The purpose of this measure is to request the Kaho'olawe Island Reserve Commission to convene a task force to develop a plan for the utilization of alternative energy resources to address the current and future energy needs of the island of Kaho'olawe.

Your Committee received testimony in support of this measure from the Kaho'olawe Island Reserve Commission and the Department of Business, Economic Development and Tourism.

Your Committee finds that an analysis of alternative energy resources is needed because the Kaho'olawe Island Reserve Commission expects to discontinue reliance on petroleum products to generate electricity on Kaho'olawe. Your Committee further finds it appropriate to provide for an interim and final report to allow sufficient time for study.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 101, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Case, Chang, Yoshinaga and Whalen.

**SCRep. 1376      Judiciary & Hawaiian Affairs on S.C.R. No. 15**

The purpose of this measure is to form a working group comprised of the Department of Health and Hawaiian organizations to discuss the needs of the Hawaiian community regarding the necessary supporting documentation for Hawaiian identity with respect to federal recognition bills pending in the U.S. Congress.

Your Committee received testimony and comments in support of the intent of this measure from the Department of Hawaiian Home Lands, the Department of Health, and the Office of Hawaiian Affairs.

Your Committee finds that in the event the U.S. Congress enacts laws regarding federal recognition to the Hawaiian people, a system of enrollment for Hawaiians will be necessary to qualify them for recognition. This concurrent resolution encourages the development of such a system.

Your Committee has amended the concurrent resolution by including the Office of Hawaiian Affairs as part of the coalition and making nonsubstantive changes for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 15, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 15, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Case, Chang, Yoshinaga and Whalen.

**SCRep. 1377      Judiciary & Hawaiian Affairs on S.C.R. No. 82**

The purpose of this measure, as received, is to request that the Judiciary and the State Attorney General conduct investigations of the family court system in Maui.

Your Committee received testimony in support of this measure from Hawaii Dads 4 KIDS, the Nurturing Fathers Parenting Program of the Institute for Family Enrichment, and several concerned individuals. The Judiciary commented on this measure.

Your Committee finds that a mistrust exists as to the manner in which the Judiciary addresses complaints about decisions made in cases involving custody of children.

Your Committee has amended this measure by deleting its contents and replacing it with language that requests that the Auditor:

- (1) Conduct an audit of complaints lodged against the family court system within the last three years, allowing a reasonable period to receive and address additional written complaints;
- (2) Develop proposals to formalize a complaint process, if none exists, and to remedy perceived unfairness; and
- (3) Report its findings and recommendations to the Legislature.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 82, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 82, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.

**SCRep. 1378            Finance on S.C.R. No. 19**

The purpose of this concurrent resolution is to approve the compensation plans and the costs thereof submitted by the personnel directors of the State, the Judiciary, the Hawaii Health Systems Corporation, and the counties, including the report published by the Public Employees Compensation Appeals Board.

Your Committee finds that statute requires legislative approval of the compensation plans biennially submitted by the Public Employees Compensation Appeals Board.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1379            Finance on S.C.R. No. 39**

The purpose of this measure is to request the Department of Accounting and General Services' to form an advisory committee to make recommendations to improve the Performance Information Procurement System ("PIPS") system.

Your Committee finds that there has been significant concern over DAGS's PIPS system, and that the formation of an advisory committee to help improve the system would be prudent.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1380            Finance on S.C.R. No. 103**

The purpose of this concurrent resolution is to request the Auditor to review privatization contract entered into by certain State and county agencies.

Testimony in support of this measure was received from the Hawaii Government Employees' Association and numerous individuals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.  
(Representative Rath voted no.)

**SCRep. 1381            Finance on S.C.R. No. 127**

The purpose of this concurrent resolution is to urge adequate financial impact assistance for providing services to citizens of the freely associated states who reside in the State of Hawaii.

The Department of Education submitted testimony in support.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 127, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1382      Finance on S.C.R. No. 136**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to address the concerns of Kokee State Park Lessees with expiring leases and development of a master plan for State parks.

The Board of Land and Natural Resources testified with concerns over this measure. The Kokee Leaseholders Association and several individuals submitted testimony in support.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 136, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1383      Finance on S.C.R. No. 100**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study of the guardians ad litem/attorney statutory fee requirements to determine if there is a more effective model that could be adopted for Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 100, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1384      Finance on S.C.R. No. 109**

The purpose of this concurrent resolution is to request the Judiciary to monitor the collection of crime victim compensation fees.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1385      Finance on S.C.R. No. 110**

The purpose of this concurrent resolution is to request development and implementation of a strategy for statewide eradication of pest fruit flies.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 110, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1386      Finance on S.C.R. No. 113**

The purpose of this concurrent resolution is to request an audit of various executive departments regarding ceded land revenues.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 113, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1387      Finance on S.C.R. No. 169**

The purpose of this concurrent resolution is to request the Public Utilities Commission to initiate a docket or convene a task force on power quality to meet the needs of modern commerce.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

**SCRep. 1388      Finance on S.C.R. No. 35**

The purpose of this concurrent resolution is to support the collaborative efforts and the partnering initiatives of the Veteran's Administration State Home Construction Office in Washington, D.C., the Hawaii Health Systems Corporation, the Hawaii VA Medical and Regional Office Center, and the Hawaii Office of Veterans' Services to establish a state-of-the-art VA state home facility on the campus of the Hilo Medical Center which will provide critically needed, high quality, accessible long-term care services to VA beneficiaries residing in East Hawaii County.

The Hawaii Government Employees Association submitted testimony in support of this measure.

Your Committee has amended this measure by correcting typographical errors in the body and title.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 35, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Takamine, Saiki, Yonamine and Djou.

#### **SCRep. 1389      Energy & Environment Protection and Consumer Protection & Commerce on S.C.R. No. 98**

The purpose of this concurrent resolution is to request the Public Utilities Commission (PUC) to consider the feasibility of opening a docket to:

- (1) Examine and revise as appropriate:
  - (A) Any public utility rule, standard, rate, and guideline that establishes a standby charge applicable to a non-utility distributed energy resource (DER); and
  - (B) Any customer retention discounts offered by a public utility; and
- (2) Consider equitable ratemaking design and policies for standby charges and customer retention discounts that:
  - (A) Provide for fair cost allocation among customers;
  - (B) Allow the utility adequate cost recovery while minimizing costs to customers;
  - (C) Facilitate customer DERs deployment; and
  - (D) Send proper price signals to prospective purchasers of DERs.

The Consumer Advocate, Hess Microgen LLC, Life of the Land, Hawaii Renewable Energy Alliance, The Department of Commerce and Consumer Affairs, PUC, and one individual testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of the measure. Hawaiian Electric Company, Inc., Hawaiian Electric Light Company, and Maui Electric Company opposed the measure. Kauai Electric and The Gas Company submitted comments.

Concern was expressed by certain committee members that the waiver of standby charges could result in distributed systems being unfairly subsidized by other rate payers, who may inadvertently shoulder the cost of standby generation equipment as additional distributed systems are placed into service. These committee members, however, agree that renewable energy sources are the most viable options to reduce Hawaii's dependence on fossil fuel, and that appropriate incentives to reduce this dependency are necessary.

Your Committees strongly recommend that a docket be opened to address standby charges imposed on DERs by the public utilities. An appropriate balance needs to be created between encouraging the use of DER systems to increase efficiency and cost savings and the need for an equitable rate structure incorporating DER systems so that an undue burden is not placed on other electric utilities ratepayers.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Consumer Protection and Commerce that is attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 98, S.D. 2, and recommend its adoption.

Signed by all members of the Committee except Representatives Ito, B. Oshiro, Case, Souki, Gomes and Whalen.

#### **SCRep. 1390      Legislative Management on S.C.R. No. 34**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study, from 1997 through 2001, the level and scope of private sector spending to advertise and promote Hawaii as a visitor destination.

The Department of Business, Economic Development, and Tourism testified in support of this concurrent resolution. The Hawaii Tourism Authority supported the intent of this concurrent resolution.

Your Committee believes that such a study is necessary since very little information is available regarding private sector spending to advertise and promote Hawaii as a tourist destination. Your Committee is also cognizant of the fact that the private sector may be reluctant to cooperate in such a study and that the private sectors' failure to participate may cause the results of the study to be skewed. Nevertheless, your Committee believes that this study will provide other valuable information that will be useful in assisting future cooperative ventures between the private sector and the State in promoting tourism.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, S.D. 1, and recommends its adoption.

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

**SCRep. 1391      Legislative Management on S.C.R. No. 79**

The purpose of this concurrent resolution is to request the Auditor to conduct a program and financial audit of the Department of Land and Natural Resources Historic Preservation Division (Historic Preservation Division).

The Department of Land and Natural Resources, Hawaii Government Employees Association, Society for Hawaiian Archaeology, and numerous individuals testified in support of this concurrent resolution.

Your Committee finds that concerns have been raised regarding the management and operations of the Historic Preservation Division. Under the circumstances, your Committee believes that a program and financial audit of the Preservation Division is warranted to resolve any problems and improve the services provided by the Historic Preservation Division.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79, S.D. 1, and recommends its adoption.

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

**SCRep. 1392      Legislative Management on S.C.R. No. 121**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study of the current policies and criteria used in conducting sunrise reviews of certain professional and vocational regulatory programs pursuant to chapter 26H, Hawaii Revised Statutes.

An individual testified in support of this concurrent resolution. The Department of Commerce and Consumer Affairs commented on this concurrent resolution.

Your Committee believes that a study of the policies and criteria used in conducting sunrise reviews will help the Legislature determine whether current factors used to review certain programs should be modified or additional factors should be considered.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 121 and recommends its adoption.

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

**SCRep. 1393      Water & Land Use on S.C.R. No. 158**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to work with the commercial boating industry to find a location on both Maui and on Kauai where haul-out inspections may be conducted for the seaworthiness and safety of vessels, in compliance with United States Coast Guard requirements.

Your committee on Water and Land Use finds that only Oahu and the Big Island have haul-out facilities necessitating that commercial boaters out of Maui and Kauai must sail their vessels to Oahu or the Big Island in order to perform these inspections.

Your committee further finds that it is extremely costly for the commercial boaters to send their vessels to other islands due to loss of income from their normal charters as well as travel costs incurred by the crew. Another concern is for the safety of the vessel and crew members while crossing the channels during inclement weather in order to meet their pre-determined date of inspection on Oahu or the Big Island.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158, and recommends its adoption.

Signed by all members of the Committee except Representatives Morita, Schatz, Jaffe and Meyer.

**SCRep. 1394      Water & Land Use on S.C.R. No. 85**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to develop recommendations to provide equitable access to and use of the waters and beaches of the State for both organized water sports events and individual recreational users.

Your committee finds that Hawaii has long been considered the surfing mecca of the world with her beautiful surfing spots and the natural beauty of our islands as the backdrop popularized by commercially sponsored surfing events shown on television worldwide.

Your committee further finds that these positive attributes have also come at the expense of the general public. While the number of commercially sponsored professional surfing events are increasing, beach access and availability of surf spots to our local residents in well-known popular areas are decreasing.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, B. Oshiro, Schatz and Thielen.

**SCRep. 1395      Judiciary & Hawaiian Affairs and Human Services and Housing on S.B. No. 2693**

The purpose of this bill is to:

- (1) Provide for the calculation of a responsible parent's child support obligation based upon federally approved guidelines in those cases where public assistance is provided to the child or children by the Department of Human Services; and
- (2) Provide for the recordation of out-of-state child support orders at the Bureau of Conveyances.

Your Committees received testimony in support of this bill from the Attorney General. The Attorney General's testimony explained that the bill's provisions are necessary in order to comply with federal requirements under Title IV-D of the Social Security Act and continue federal funding of child support enforcement programs.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2693 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, and Yoshinaga.

**SCRep. 1396      Judiciary & Hawaiian Affairs on S.B. No. 2632**

The purpose of the bill is to clarify the offense of wilful failure to appear in answer to a citation by:

- (1) Replacing the term "wilful" with the term "knowing"; and
- (2) Changing the fine to \$1,000 to conform it to that of a petty misdemeanor.

Your Committee received testimony in support of the measure from the Judiciary.

Your Committee finds that pursuant to section 702-210, Hawaii Revised Statutes, where an offense is required to be committed wilfully, the requirement is satisfied if the person acted knowingly with respect to the elements of the offense.

Your Committee also finds that the penalty for failure to appear in answer to a citation should be made to fully conform to a petty misdemeanor by conforming the fine.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2632 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Yoshinaga, Gomes and Whalen.  
(Representatives Auwae, Marumoto and Thielen voted no.)

**SCRep. 1397      Education on S.C.R. No. 18**

The purpose of this concurrent resolution is to:

- (1) Endorse the School and Community Profiles (SCP) created through collaboration between the Hawaii Performance Partnership Board (HPPB) and various federal, state, county, and community partners;
- (2) Request HPPB and state agencies to work with the University of Hawaii Center on the Family to review and adjust SCP indicators as needed; and
- (3) Encourage public and private agencies to measure progress toward SCP outcome indicators and to use the outcomes as a basis for policy and program development.

The Special Assistant to the Governor on Children and Families, Department of Human Services, University of Hawaii, Alu Like, Inc., Hawaii Medical Service Association, Good Beginnings Alliance, Hawaii Kids Count, HPPB, Native Hawaiian Early Childhood Consortium, and an individual submitted testimony in support of this measure.

Your Committee finds that this measure will assist in bringing the government and community together in determining a common method of comparison and unified focus for progress in measuring children's outcomes. SCP standards provide an excellent means of benchmarking and providing direction for educational and community-based programs in a systematic manner with the goal of ensuring the health, safety, and personal success of children.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18 and recommends its adoption.

Signed by all members of the Committee except Representatives Kahikina, Takumi, Bukoski, McDermott and Stonebraker.

**SCRep. 1398      Finance on S.B. No. 2232**

The purpose of this bill is to ensure that unencumbered funds that were appropriated for infrastructure development at the Kikala-Keokea subdivision on the island of Hawaii do not lapse at the end of fiscal year 2001-2002 by extending the lapse date to June 30, 2003.

The Board of Land and Natural Resources and the Office of Hawaiian Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2232, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Saiki and Moses.

**SCRep. 1399      Finance on S.B. No. 2582**

The purpose of this bill is to make Hawaii's premium tax structure for single-owner and multi-owner captive insurance licensees more equitable and attractive, while maintaining an adequate funding base by:

- (1) Changing the existing flat premium tax of .25 percent for single-owner captive insurance licensees and 1.00 percent for multi-owner captive insurance licensees to a three-tier premium tax. This bill makes both single-owner and multi-owner captive insurance licensee premiums subject to a tax of .25 per cent on the first \$25,000,000, .15 per cent on the next \$25,000,000, and .05 per cent on premiums over \$50,000,000; and
- (2) Increasing the minimum funding ceiling for the captive insurance program from \$250,000 to \$1,500,000.

The Department of Commerce and Consumer Affairs, Bank of Hawaii, Becker + Carlson Risk Management, Inc., and a concerned individual testified in support of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2582 and recommends that it pass Third Reading.

Signed by all members of the Committee except Kawakami, Saiki and Yonamine.

**SCRep. 1400      Judiciary & Hawaiian Affairs on S.B. No. 2705**

The purpose of this bill is to increase from 15 to 20 days, the amount of time the Housing and Community Development Corporation of Hawaii (HCDCH) has to transmit a record on appeal.

HCDCH testified in support of this measure.

Your Committee finds this housekeeping measure would make the time period for transmission of the record consistent with that of other administrative proceedings.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2705 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1401      Judiciary & Hawaiian Affairs on S.B. No. 2791**

The purpose of this bill is to:

- (1) Require individuals, who are either applying or were hired after July 1, 1990, for employment with the Hawaii State Public Library System (HSPLS) in positions which place them in proximity to children, to do the following:
  - (a) Submit sworn statements regarding any convictions for which incarceration is a sentencing option; and
  - (b) Consent to a criminal history check by the HSPLS, including fingerprinting for a Federal Bureau of Investigation record check; and
- (2) Exempt the HSPLS from restrictions under section 831-3.1, Hawaii Revised Statutes, against disqualifying individuals from public employment solely by reason of a prior conviction of a crime.

Your Committee received testimony in support of this bill from the HSPLS and the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2791, S.D. 2, and recommends that it pass Third Reading.



Signed by all members of the Committee except Representatives Case, Morita, Yoshinaga, Gomes and Whalen.

**SCRep. 1402      Finance on S.C.R. No. 16**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review of the regulation of hypnotherapists.

Supportive testimony was received by the Department of Commerce and Consumer Affairs and one individual.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16, and recommends its adoption.

Signed by all members of the Committee except Representatives Kawakami, Saiki, Yonamine and Djou.

**SCRep. 1403      Finance on S.C.R. No. 107**

The purpose of this concurrent resolution is to request the Department of Education to develop a plan to advance the cutoff date for kindergarten to June 30 beginning with the 2005-2006 school year.

Your Committee finds that advancing the cutoff date for kindergarten would reduce the disparity of children's ages within a single grade level, thereby helping to ensure that children are appropriately and equally prepared for early school education.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 107, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kawakami, Saiki, Yonamine and Djou.

**SCRep. 1404      Finance on S.C.R. No. 116**

The purpose of this concurrent resolution is to request the Department of Transportation to convene a task force to examine ways to control the use of motorized scooters and other motorized devices on sidewalks, highways, and public areas.

Testimony in support of this measure was received by the Department of Transportation and the Honolulu Police Department.

Your Committee is aware that problems of the nature described within this concurrent resolution exist in all counties. Therefore, it is the Committee's desire that the concerns of all counties be taken into consideration when convening the task force.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 116, and recommends its adoption.

Signed by all members of the Committee except Representatives Kawakami, Saiki, Yonamine and Djou.  
(Representatives Moses and Rath voted no.)

**SCRep. 1405      Finance on S.C.R. No. 131**

The purpose of this concurrent resolution is to request expedited budgeting, financing, and construction of new school facilities.

Your Committee realizes that population growth in the Leeward area of Oahu has caused an overburdening on the educational infrastructure there, and that a construction of Royal Kunia Elementary School would help to alleviate this strain.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kawakami, Saiki, Yonamine and Djou.

**SCRep. 1406      Finance on S.C.R. No. 174**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study regarding the inability of insulin users to obtain a commercial driver's license.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 174, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kawakami, Saiki, Yonamine and Djou.

**SCRep. 1407      Finance on S.C.R. No. 180**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to compare legislative proposals to allow employees to use sick leave to care for their families and Hawaii's family leave law.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180, S.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Kawakami, Saiki, Yonamine and Djou.

**SCRep. 1408      Economic Development & Business Concerns on S.C.R. No. 157**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism, High Technology Development Corporation (HTDC), Hawaii Technology Trade Association, and the Natural Energy Laboratory of Hawaii Authority to set the direction for the high technology industry.

HTDC and an individual submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 157, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi and Ontai.

**SCRep. 1409      Economic Development & Business Concerns and Tourism & Culture on S.C.R. No. 12**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), in conjunction with the Department of Transportation (DOT), to develop a master plan for the Honolulu waterfront.

DOT submitted testimony in support of this measure. DBEDT submitted testimony in support of the intent of this measure.

Your Committees note that developing a new or amended master plan for the Honolulu waterfront would require a significant amount of staff and funding. While there is no funding associated with this measure, your Committees request that DBEDT and DOT address this issue to the extent possible with available moneys and resources, and, at a minimum, present a report to the Legislature on the status of the current master plan that was created in 1989.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism and Culture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 12, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Case, Suzuki, Takumi, Halford and Ontai.

**SCRep. 1410      Finance on S.B. No. 2908**

The purpose of this bill is to assist Central Oahu Recycling and Disposal Facility, Inc., in acquiring land, planning, designing, and constructing a private solid waste recycling and disposal facility on Oahu by authorizing the issuance of \$25,000,000 in special purpose revenue bonds.

Central Oahu Recycling and Disposal Facility, Inc., Eco-Feed, Inc., Norfolk Group, Inc., and an individual testified in support of this measure. The Department of Health, Honolulu Board of Water Supply, and The Nature Conservancy of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2908, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.