

Conf. Com. Rep. 1-06 on S.B. No. 2479

The purpose of this measure is to propose an amendment to Article VII, section 12, of the Hawaii State Constitution, to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist agricultural enterprises.

In 2005, the Legislature passed Act 183, Session Laws of Hawaii 2005, which provides a process for identifying and designating important agricultural lands in Hawaii. As a part of Act 183, the Legislature developed a process for the long-term retention of important agricultural lands for agricultural uses by creating incentives. Your Committee on Conference finds that encouraging agricultural development will provide positive environmental, social, and economic benefits to the State, and this measure will provide one such incentive for preserving important agricultural lands. Your Committee on Conference has amended this measure by specifically only allowing agricultural enterprises serving important agricultural lands.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2479, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2479, H.D. 1, C.D. 1.

Representatives B. Oshiro, Tsuji and Marumoto.
Managers on the part of the House.

Senators Kokubun, Hanabusa and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 2-06 on S.B. No. 995

The purpose of this measure is to propose an amendment to the Hawaii Constitution to repeal the mandatory retirement age of seventy for state justices and judges.

The current mandatory retirement age for judges and justices is counterproductive to judicial efficiency and productivity as it often dispenses with highly experienced jurists capable of discharging their duties well beyond the age of seventy. Age alone does not determine a judge's functional ability and a mandatory retirement age does not consider the value of a judge's accumulated experience on the bench.

Your Committee on Conference has amended this measure by making it effective upon compliance with article XVII, section 3, of Constitution of the State of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 995, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 995, S.D. 1, H.D. 1, C.D. 1.

Representatives B. Oshiro, Yamane and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 3-06 on S.B. No. 2246

The purpose of this measure is:

- (1) To propose an amendment to article I of the State Constitution to provide that the Legislature may define what behavior constitutes a continuing course of conduct in a sexual assault crime against minors younger than fourteen years of age; and
- (2) To provide that the Legislature may define what constitutes the unanimity that is required for a conviction in sexual assault crimes.

Under current law, it is difficult to prosecute those who repeatedly sexually assault a child, because of the difficulty young children have in remembering the individual dates on which they were sexually assaulted. This proposed amendment to the State Constitution would allow the Legislature to enact a law that would permit juries to convict a person of the continuous sexual assault of a minor younger than fourteen years of age, if each member of a jury was convinced beyond a reasonable doubt that the defendant had sexually assaulted the child the required number of times, even if there was no unanimity as to the individual assaults.

Your Committee on Conference has amended this measure by making it effective upon compliance with article XVII, section 3, of Constitution of the State of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2246, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2246, S.D. 1, H.D. 2, C.D. 1.

Representatives B. Oshiro, Yamane and Thielen.
Managers on the part of the House.

Senators Hanabusa, Chun Oakland and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 4-06 on S.B. No. 2609

The purpose of this measure is to clarify the required grounds for an application for writ of certiorari and the requirements for timely filing.

This measure clarifies that an application for writ of certiorari may be filed after entry of the Intermediate Court of Appeal's order of dismissal. This measure also specifies two additional grounds for an application for writ of certiorari.

Your Committee on Conference has amended this measure to insert the Senate version, which clarifies that the requirement of stating the magnitude of the error applies to both of the additional grounds, not just the second one.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2609, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2609, S.D. 1, H.D. 1, C.D. 1.

Representatives B. Oshiro, Luke and Thielen.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 5-06 on S.B. No. 2213

The purpose of this measure is to:

- (1) Provide a qualified immunity for public entities and public employees from injuries sustained by a person when using a motorsports facility; and
- (2) Clarify that a waiver, release, or indemnity agreement must be executed in writing by a parent or legal guardian of a minor in order to be enforceable against the rights of the minor.

The intent of your Committee is to facilitate the popularity of motorsports among minors. Motorsports facilities are commonly operated by county governments, which seek the immunity from liability. Your Committee views this measure as promoting a sports and family activity, without creating an imbalance of rights and responsibilities for safety.

Your Committee has amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2213, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2213, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Luke and Ching.
Managers on the part of the House.

Senators Inouye, Espero, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 6-06 on S.B. No. 2924

The purpose of this measure is to give law enforcement officers authority to enter premises and impound a pet animal when there is probable cause to believe the pet animal is being subjected to cruel treatment. This measure also allows a court to order a forfeiture of an impounded pet animal prior to and during a criminal action against its owner.

During a recent animal cruelty case, the Hawaiian Humane Society incurred costs of approximately \$269,000 to board, care for, and feed approximately sixty-nine dogs while the case was pending. The Hawaiian Humane Society was never compensated for the care provided to these animals even after the owner was allowed to sell the animals.

The purpose of the forfeiture is to pay for the care of the animals, not to punish the owner. This measure will provide a way to implement the legal principle that, despite the impoundment, the obligation to provide adequate care for the pet animal remains with the owner.

This measure is modeled after section 167.347 of the Oregon Revised Statutes, the constitutionality of which has been upheld by the Oregon courts. See *State of Oregon v. Branstetter*, 45 P.3d 137 (Or. App. 2002).

Your Committee on Conference has amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2924, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2924, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, Sonson and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 7-06 on S.B. No. 2930

The purpose of this measure is clarify that animal care costs incurred for abused or neglected animals will be the responsibility of the abuser.

This measure clarifies who will be financially responsible for the expenses incurred for the feeding, housing, and care of abused or neglected animals. These animals are often left in the custody of humane societies while the court resolves the criminal case against the abuser. This often takes months or even years to be resolved, leaving the animals to be cared for at the humane society's expense. The need for this type of legislation was exemplified by the \$269,000 bill the Hawaiian Humane Society incurred for the care of approximately sixty-nine dogs that were rescued from a breeder in Kahaluu. Although the breeder pled guilty to fifty-five counts of animal cruelty, the breeder was not required to reimburse the Hawaiian Humane Society. This measure will make it clear that it is the abuser who is financially responsible for the care of these animals.

Your Committee on Conference has amended this measure to require, rather than authorize, the court to order the defendant to reimburse the caregiver for the care of the animals, as provided in the Senate's version of the measure. Your Committee on Conference has also limited the reimbursement to reasonable costs incurred.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2930, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2930, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, Sonson and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 8-06 on S.B. No. 2243

The purpose of this measure is to provide for the immediate DNA testing of all felons who are currently incarcerated and allows for post conviction DNA testing of those who were not convicted but were acquitted of a crime on the ground of physical or mental disease or disorder.

This measure will expand the scope of those tested and provide clearer guidelines that will eliminate uncertainty in DNA testing procedures and reduce delays and legal challenges.

Your Committee on Conference has amended this measure to change the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2243, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2243, S.D. 1, H.D. 1, C.D. 1.

Representatives Ito, Luke and Moses.
Managers on the part of the House.

Senators Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 9-06 on S.B. No. 695

The purpose of this measure is to facilitate the interstate exchange of criminal history information for noncriminal justice purposes, including but not limited to background checks for the licensing and screening of employees and volunteers.

The ratification of the National Crime Prevention and Privacy Compact will enable the State to administer criminal history record checks as well as process background checks in a more expeditious and cost-effective manner. The adoption of the National Crime Prevention and Privacy Compact will also enable Hawaii to participate in the FBI National Fingerprint File and become a member on the Compact Council that establishes policies relating to use and exchange of criminal justice data.

Your Committee on Conference has amended this measure to make technical changes to ensure conformity with the federal version of the National Crime Prevention and Privacy Compact.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 695, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 695, H.D. 1, C.D. 1.

Representatives Luke, Caldwell and Stevens.
Managers on the part of the House.
(Representative Stevens was excused.)

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 10-06 on S.B. No. 2265

The purpose of this measure is to:

- (1) Add electronic enticement of a child to the list of class C felonies subject to repeat offender sentencing;
- (2) Mandate at least one year of incarceration for defendants convicted of electronic enticement of a child; and
- (3) Eliminate the possibility of a deferred plea for those who enter a plea to the crime of electronic enticement of a child.

This measure will provide a means to ensure the safety of Hawaii's children, enhance enforcement efforts, and impose significant penalties against those who prey on the most vulnerable members of the community.

Your Committee on Conference amended this measure to:

- (1) Restore the prohibition of deferred acceptance of guilty or nolo contendere pleas for individuals convicted of promoting child abuse in the second or third degree, as provided in the Senate version; and
- (2) Change the effective date from January 1, 2096 to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2265, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2265, S.D. 1, H.D. 1, C.D. 1.

Representatives B. Oshiro, Luke and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 11-06 on S.B. No. 3051

The purpose of this measure is to allow counties to change their fiscal year to a period other than July 1 to June 30.

This measure will give the counties greater flexibility and allow them to determine when their fiscal year begins and ends.

Your Committee on Conference amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3051, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3051, S.D. 2, H.D. 1, C.D. 1.

Representatives Takamine, Nakasone and Stevens.
Managers on the part of the House.

Senators Ige, Taniguchi, Kim and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 12-06 on S.B. No. 427

The purpose of this measure is to require that a child be properly restrained in a child safety seat or booster seat that meets federal motor vehicle safety standards, with limited conditional exceptions for child weight and height.

Your Committee finds that the proper use of child passenger restraints is the most important factor in preventing death and disability in a car crash. Although it is currently legal for children over the age of four to be restrained only with seat belts, this practice exposes children to an increased risk of serious or even fatal injury. Seat belts were designed for older children and adults, not for children under eight years old whose size and physical development make seat belts less effective, and in some cases, unsafe.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 427, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 427, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Luke and Stevens.
Managers on the part of the House.
(Representative Stevens was excused.)

Senators Inouye, Hanabusa, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 13-06 on S.B. No. 706

The purpose of this measure is to require the suspension of the driver's license of a person under the age of twenty-one who violates laws relating to the consumption, possession, or use of alcohol.

Your Committee finds that alcohol is the number one drug of choice for teens in Hawaii and is commonly recognized as a gateway drug. The continued use of alcohol often leads to illicit drug use. It has been reported that underage drinking cost the State \$182,000,000 in 2001.

Excessive amounts of alcohol can impair judgment, provoke risky and violent behavior, and slow down reaction time. An intoxicated person behind the wheel of a car is a lethal weapon on the road. Furthermore, according to the Department of Health, researchers have associated drinking with early sexual intercourse and, as a result, unintended pregnancies and sexually transmitted diseases. When alcohol is consumed in combination with other drugs, the results can be even more devastating.

Underage drinking is an extremely prevalent problem. It has been estimated that a higher percentage of youths between ages twelve and twenty use alcohol (twenty-nine percent) than use tobacco (23.3 percent) or illicit drugs (14.9 percent). National statistics show that in 2002, about two million minors age twelve to twenty drank five or more drinks on an occasion, five or more times a month. Alcohol consumption is responsible for death and injury in motor vehicle accidents, as well as homicides, suicides, sexual assaults, and unintentional injuries.

A driver's license is the prized possession of teenagers. Knowledge that a conviction for underage possession of alcohol will result in temporary loss of driving privileges is likely to deter many potential underage drinkers from possessing alcohol until they are legally entitled to do so. This measure can save lives by deterring underage drinking and drunk driving.

Your Committee has amended this measure by changing the effective date to January 1, 2007 and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 706, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 706, S.D. 2, H.D. 2, C.D. 1.

Representatives Souki, Luke, Yamashita and Moses.
Managers on the part of the House.

Senators Inouye, Hanabusa, Espero and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 14-06 on S.B. No. 2667

The purpose of this measure is to redefine the terminology used in reference to fireworks and articles pyrotechnic to more closely conform to that used by federal agencies that regulate these explosives. The measure also prohibits the sale of consumer fireworks after 12:01 a.m. on New Year's Day, 6:00 p.m. on Chinese New Year's Day, and 8:00 p.m. on the Fourth of July.

This measure will improve the enforcement and regulation of the importation, storage, sale, and use of fireworks and articles pyrotechnic.

Your Committee on Conference has amended this measure by changing the effective date to August 1, 2006, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2667, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2667, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Luke and Marumoto.
Managers on the part of the House.

Senators Ige, Hanabusa, Inouye and Slom.
Managers on the part of the Senate.
(Senator Inouye was excused.)

Conf. Com. Rep. 15-06 on S.B. No. 2237

Your Committee finds that present law requires moneys received from settlement of claims or losses, in particular, insurance proceeds, to be deposited into the state risk management revolving fund under control of the Comptroller. This means that when an agency sustains a loss, the agency must cover the loss by diverting funds from existing agency appropriations. The agency must then wait for an emergency appropriation to be passed before its insurance proceeds can be released to the agency from the revolving fund. Your Committee finds that the affected agency can be reimbursed in a more timely fashion if those insurance proceeds are deposited directly into a trust account under that agency's control.

Your Committee has amended this measure by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2237, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2237, S.D. 1, H.D. 1, C.D. 1.

Representatives Takamine, Kawakami and Moses.
Managers on the part of the House.

Senators Inouye, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 16-06 on S.B. No. 2021

The purpose of this measure is to allow a retired public employee who relocates outside of the coverage area of the Hawaii employer-union health benefits trust fund (EUTF) to be reimbursed for securing a personal health insurance policy.

Currently, a retired public employee who relocates outside of the coverage area of the EUTF is being deprived of vested health benefits coverage. A retired public employee who has provided years of service to our residents is entitled to reap the benefits of such hard work through the continued provision of health care coverage, irrespective of the individual's physical location. This measure will provide parity among employee-beneficiaries of the EUTF through the reimbursement of the lesser of the actual cost of obtaining a personal health insurance policy or the amount of the State or county contribution for the most comparable health benefits plan provided under the EUTF.

Upon further consideration, your Committee on Conference has amended this measure by changing its effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2021, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2021, S.D. 2, H.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Meyer.
Managers on the part of the House.

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

Conf. Com. Rep. 17-06 on S.B. No. 1223

The purpose of this bill is to increase the service charge that may be assessed by a payee or a holder in due course of a dishonored check, draft, or order.

Your Committee has amended this bill by:

- (1) Inserting an amount of \$30 for the service charge that may be assessed by a payee or a holder in due course of a dishonored check, draft, or order; and
- (2) Changing the effective date to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1223, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1223, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Yamane, Yamashita and Moses.

Managers on the part of the House.
(Representative Moses was excused.)

Senators Menor, Taniguchi and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 18-06 on S.B. No. 2244

The purpose of this measure is to require the deletion of digitized arrest records, rather than the return of hard copy materials, if applicable. This measure also limits the return of fingerprints or photographs to those persons entitled to expungements who have no record of conviction for crimes.

When this measure was heard in its original form, concerns were raised as to prohibiting a person who has a previous conviction and who is arrested for reasons unrelated to the previous conviction from seeking to expunge his or her record. Your Committee on Conference finds that such provisions should be removed.

Your Committee on Conference amended this measure to insert the contents of S.B. No. 588, S.D. 1, which allows for the expungement of violations upon written application to the Attorney General and for the deletion of digitized records. Your Committee on Conference also amended this measure to make technical, nonsubstantive changes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2244, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2244, S.D. 1, H.D. 1, C.D. 1.

Representatives B. Oshiro, Souki and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 19-06 on S.B. No. 2600

The purpose of this measure is to:

- (1) Allow court documents and records to be electronically signed and sealed; and
- (2) Allow both the electronic seal and the electronic signature to satisfy the requirements that a court document, process, or certificate be signed, certified, acknowledged, verified, exemplified, attested, or made under oath or seal.

This measure will allow court documents to be electronically signed and sealed, saving on labor costs, paper costs, and time for both the courts and law enforcement agencies.

Your Committee on Conference has amended this measure to change the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2600, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2600, S.D. 1, H.D. 2, C.D. 1.

Representatives B. Oshiro, Nishimoto and Thielen.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 20-06 on S.B. No. 3180

The purpose of this measure is to require counties to adopt ordinances to allow buildings designed using practices, styles, customs, and materials from indigenous Hawaiian architecture.

Traditional Hawaiian architecture is becoming a rare occurrence in its native home. Much knowledge is being lost as kūpuna familiar with the techniques and protocols pass away, without the opportunity to pass on their knowledge and abilities by example.

Your Committee on Conference has amended this measure to specify that the application of indigenous Hawaiian architecture must be consistent with the intent and purpose of the uniquely designated, special, or historic district, such as in the case of the Lahaina Historical District on Maui and the Waikiki Special District on Oahu. Your Committee on Conference also amended this measure to change the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3180, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3180, S.D. 1, H.D. 2, C.D. 1.

Representatives Saiki, Carroll and Finnegan.
Managers on the part of the House.

Senators Hanabusa, Ige and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 21-06 on S.B. No. 3254

The purpose of this measure is to permanently establish the statutory authority for the licensing and certification of home- and community-based case management agencies and community care foster family homes established under Act 273, Session Laws of Hawaii 2001, as amended by Acts 95 and 98, Session Laws of Hawaii 2003, as amended by Act 153, Session Laws of Hawaii 2004.

This measure will ensure the continued provision of quality home- and community-based services and care at reasonable costs.

Your Committee on Conference has amended this measure by deleting the provisions of section 1 and changing the effective date to June 29, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3254, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3254, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Arakaki, Carroll and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Chun Oakland, Hanabusa, Baker, Fukunaga, Ihara and Trimble.
Managers on the part of the Senate.
(Senator Ihara was excused.)

Conf. Com. Rep. 22-06 on S.B. No. 2430

The purpose of this measure is to standardize the information provided by the Judiciary and the Paroling Authority to county clerks regarding convicted felons who are ineligible to vote while imprisoned.

This measure will help ensure the legitimacy of the voter rolls.

Your Committee on Conference amended this measure by:

- (1) Applying the "to the extent readily ascertainable" language to the citizen's residence address or last known residence address;
- (2) Making the measure effective upon its approval; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2430, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2430, S.D. 2, H.D. 1, C.D. 1.

Representatives Luke, Sonson and Thielen.
Managers on the part of the House.
(Representative Sonson was excused.)

Senators Ige, Hanabusa, Baker and Slom.
Managers on the part of the Senate.
(Senator Baker was excused.)

Conf. Com. Rep. 23-06 on S.B. No. 2227

The purpose of this bill is to ensure that telehealth services are reimbursed.

This bill establishes telehealth as a reimbursable health care service covered through insurers of accident and health insurance policies, mutual benefit society plans, and health maintenance organization plans. Reimbursing health care providers for the telehealth services they provide will enable individuals, particularly those residing in rural communities, to gain access to effective and prompt health care.

Your Committee on Conference amended this bill by changing the effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2227, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2227, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Sonson, Herkes, Evans, Carroll and Halford.
Managers on the part of the House.
(Representatives Herkes and Halford were excused.)

Senators Baker, Fukunaga, Menor, Ige and Whalen.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 24-06 on S.B. No. 2004

The purpose of this measure is to establish the Ahu o Laka state monument and prohibit certain activities there.

Your Committee on Conference finds that there is a balance between preserving this cultural site, preventing future out-of-control gatherings, and allowing recreational visitors to continue to use this area responsibly. Accordingly, your Committee on Conference believes that this measure achieves this balance by requiring the Department of Land and Natural Resources to adopt rules for the protection and maintenance of the Ahu o Laka state monument.

Your Committee on Conference has amended this measure by making it effective "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2004, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2004, S.D. 1, H.D. 1, C.D. 1.

Representatives Kanoho, Saiki and Chong.
Managers on the part of the House.

Senators Kokubun, Hee and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 25-06 on S.B. No. 2006

The purpose of this measure is to prohibit the sale or offering for sale of opihi, except when the opihi shell is at least one and one-fourth inches in diameter and is used to make a curio or jewelry.

Your Committee on Conference finds that in recent years, the number of edible opihi in Hawaii has declined, and the popularity of opihi as a delicacy has led to over-harvesting on Oahu and made opihi hard to find on the neighbor islands.

Your Committee on Conference has amended this measure by:

- (1) Including an exception for any resident of any populated island that is privately owned and has a population of five hundred or less;
- (2) Allowing a maximum of one-half gallon rather than one quart of opihi per person per day, as measured with its shell on; and
- (3) Requiring that all takings of opihi for curio or jewelry shall be in compliance with section 188-42.5, Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2006, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2006, S.D. 3, H.D. 2, C.D. 1.

Representatives Kanoho, B. Oshiro and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Kokubun, Hanabusa, English, Hee and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 26-06 on S.B. No. 2358

The purpose of this measure is to strengthen the overall management of Hawaii's forest reserves.

Specifically, this measure:

- (1) Provides procedures to establish and collect administrative fines for violations of forest reserve laws;
- (2) Increases the criminal fine for timber trespass in forest reserves and establishes an additional fine for every tree illegally destroyed or harvested;
- (3) Allows all revenue derived from forest reserves, including fines for violations, to be deposited into the Forest Stewardship fund; and
- (4) Allows conveyance tax revenues deposited into the fund to be used for the management of forest reserves, in addition to the Forest Stewardship Program.

Your Committee on Conference has amended this measure by:

- (1) Allowing the Board of Land and Natural Resources or its authorized representative to bring legal action to recover administrative fines, fees, and costs; and
- (2) Clarifying that the exercise of native Hawaiian gathering rights and traditional practices as authorized by law or by permission from the department are both pursuant to Article XII, Section 7 of the Hawaii State Constitution.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2358, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2358, S.D. 2, H.D. 2, C.D. 1.

Representatives Kanoho, B. Oshiro and Meyer.
Managers on the part of the House.

Senators Kokubun, Hanabusa, English and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 27-06 on S.B. No. 2501

The purpose of this measure is to create and amend fishing provisions that affect the communities of Ha`ena, Kauai and Kahului, Maui.

Specifically, this measure:

- (1) Establishes a community-based subsistence fishing area for the ahupua`a of Ha`ena to protect the fish stocks and coral reef habitats; and
- (2) Extends the effective date of Act 218, Session Laws of Hawaii 2005, to allow the Department of Land and Natural Resources time to adopt rules regulating user conflicts in Kahului harbor.

Your Committee on Conference has amended this measure by adding a new purpose section to clarify the purpose of the entire measure, as well as each part.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2501, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2501, S.D. 1, H.D. 1, C.D. 1.

Representatives Kanoho, Evans, Morita and Meyer.
Managers on the part of the House.

Senators Kokubun, Hooser and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 28-06 on S.B. No. 3076

The purpose of this measure is to designate the coqui frog as a pest, which makes it subject to control or eradication by the Department of Agriculture.

Your Committee on Conference finds that the coqui frog population has grown exponentially over the past decade for a variety of reasons, and many residents affected by the coqui frog have been frustrated by the frog population's growing numbers. Your Committee on Conference further notes that some residents are diligently working to curb the coqui frog's population; however, in some cases, their immediate neighbors are not. As a result, the conscientious resident continually fights re-infestations of the frog on his or her property. Currently, the Department of Agriculture does not have the authority to enter onto private property, without permission, to control coqui frog populations. This measure designates the coqui frog as a pest, allowing the Department of Agriculture to control or eradicate the coqui frog populations on private properties.

Your Committee on Conference has amended this measure by changing the effective date to "upon its approval" rather than "July 1, 2020."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3076, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3076, S.D. 1, H.D. 1, C.D. 1.

Representatives Chang, Morita and Halford.
Managers on the part of the House.

Senators Kokubun, English and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 29-06 on S.B. No. 2298

The purpose of this bill is to strengthen the enforcement provisions of the electrician and plumber licensing law.

Specifically, this bill:

- (1) Defines "electrician" and "plumber" for purposes of enforcement;
- (2) Requires the entity providing voice communication service to disconnect the telephone number in any advertisement found by a court to have been placed by an unlicensed electrician or plumber;
- (3) Prohibits unlicensed persons from advertising or holding themselves out as electricians or plumbers;
- (4) Permits the Board of Electricians and Plumbers to suspend or revoke any license, impose fines, or deny the issuance or renewal of a license for unlicensed electrical and plumbing activities; and
- (5) Increases the maximum fine for violation of the licensing law from \$1,000 to \$5,000.

Your Committee has amended this bill by changing the effective date from "July 1, 2050" to "July 1, 2006."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2298, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2298, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, Schatz and Marumoto.
Managers on the part of the House.

Senators Menor, Baker and Espero.
Managers on the part of the Senate.
(Senator Baker was excused.)

Conf. Com. Rep. 30-06 on S.B. No. 3065

The purpose of this bill is to make the One Call Center Advisory Committee more representative of the major industries that it affects by increasing its voting membership from 15 to 17 by adding representatives of the water utility and wastewater industries.

Your Committee has amended this bill by making the bill effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3065, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3065, S.D. 1, H.D. 1, C.D. 1.

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

Senators Menor, Baker and Hogue.
Managers on the part of the Senate.
(Senator Baker was excused.)

Conf. Com. Rep. 31-06 on S.B. No. 743

The purpose of this bill is to repeal the current uniform securities law, chapter 485, Hawaii Revised Statutes, and to adopt the 2002 Uniform Securities Act.

Your Committee has amended this bill by changing the effective date from "July 1, 2099" to "July 1, 2008" in order to allow for rulemaking.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 743, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 743, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, Luke and Marumoto.
Managers on the part of the House.
(Representative Marumoto was excused.)

Senators Menor, Hanabusa, Sakamoto and Hogue.
Managers on the part of the Senate.
(Senator Sakamoto was excused.)

Conf. Com. Rep. 32-06 on S.B. No. 826

The purpose of this measure is to include employees and officers of the Department of Public Safety among those who must report child abuse cases and who are authorized to take a victim of child abuse into protective custody.

This measure will increase the number of law enforcement personnel able to respond to and report child abuse cases.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 826, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 826, H.D. 2, C.D. 1.

Representatives Ito, Luke and Moses.
Managers on the part of the House.

Senators Chun Oakland, Hanabusa, Ihara and Trimble.
Managers on the part of the Senate.
(Senator Ihara was excused.)

Conf. Com. Rep. 33-06 on S.B. No. 2162

The purpose of this measure is to help foster children successfully transition out of foster care and into independent living.

This measure enables foster children to apply for a driver's license and ensures they are covered by motor vehicle insurance. It also permits higher education board allowances to be paid directly to a former foster child.

Your Committee on Conference has amended this measure by deleting the language amending section 587-87, Hawaii Revised Statutes, which would have eliminated the requirement that a foster child's medical records be disclosed to the child's foster parents, by changing the effective date to July 1, 2006, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2162, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2162, S.D. 2, H.D. 1, C.D. 1.

Representatives Sonson, Herkes, Carroll and Pine.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Chun Oakland, Hanabusa, Fukunaga and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 34-06 on S.B. No. 2188

The purpose of this measure is to remove the Director of the Office of Children and Youth as a member of the Commission on Fatherhood and to add the Director of Public Safety and an administrator of the family courts, or their designees, as members of the Commission.

The Commission on Fatherhood plays an important role in promoting healthy family relationships between parents and children and promotes involved, nurturing, and responsible fatherhood. The presence of fathers has a positive impact on the lives of their children, as reflected in better school performance, fewer high-risk behaviors, higher self-esteem, and less substance abuse.

Your Committee on Conference has amended this measure by reinstating the provisions of the Senate Draft 1, specifically, by deleting the addition of an administrator of the family courts as a member of the Commission on Fatherhood, reverting to fifteen Commission members, and changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2188, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2188, S.D. 1, H.D. 2, C.D. 1.

Representatives Sonson, Luke, Green and Marumoto.
Managers on the part of the House.

Senators Chun Oakland, Hanabusa, Hooser, Kokubun and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 35-06 on S.B. No. 2327

The purpose of this measure is to require staff members of public or private schools, agencies, or institutions who, in their professional capacity, have reason to believe that child abuse or neglect has occurred, or that there is a substantial risk that a child may be abused or neglected in the foreseeable future, to immediately report the abuse or neglect to the Department of Human Services.

This measure will ensure timely reporting and investigation of suspicions of child abuse and neglect by requiring mandatory reporters to report directly to the Department of Human Services rather than to a person in charge or a designated delegate.

Your Committee on Conference has amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2327, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2327, S.D. 2, H.D. 1, C.D. 1.

Representatives B. Oshiro, Sonson and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Chun Oakland, Hanabusa, Hooser and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 36-06 on S.B. No. 2328

The purpose of this measure is to authorize a child's current foster parents to attend and participate as parties in all Child Protective Act proceedings subsequent to a disposition hearing.

This measure will give a child's foster parents the opportunity to attend these child protective proceedings and to provide information to the court.

Your Committee on Conference has amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2328, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2328, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Luke and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Chun Oakland, Hanabusa, Fukunaga and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 37-06 on S.B. No. 2248

The purpose of this bill is to require professional solicitors to disclose to contributors whether a donation will be tax deductible, and to allow the Attorney General to suspend or revoke the registration of a charitable organization, professional fundraising counsel, or professional solicitor when the registrant has failed to file or completely file a financial report as required.

This bill also:

- (1) Adopts clarifying amendments to the definitions of "contribution," "professional fundraising counsel," and "professional solicitor";
- (2) Deems a professional fundraising counsel to be a professional solicitor if the fundraising counsel's compensation is related to the amount of contributions received;
- (3) Provides a person, aggrieved by the Attorney General's action refusing to register, or revoking or suspending a registration, with the right to notice of the Attorney General's action and the right to request a hearing to review that action; and

- (3) Allows the attorney general to adopt rules to provide for the extension of filing deadlines and the electronic filing of required registration statements, contracts, forms, and reports.

Your Committee has amended this bill by making it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2248, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2248, S.D. 2, H.D. 1, C.D. 1.

Representatives Luke, Herkes, Wakai and Pine.
Managers on the part of the House.

Senators Menor, Hanabusa, Taniguchi and Hogue.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 38-06 on S.B. No. 2360

The purpose of this measure is to protect natural and biological resources from sustaining damage when vessels run aground by providing for the immediate removal of vessels grounded on state submerged lands, shorelines, and coral reefs. This measure would allow the Department of Land and Natural Resources to, among other things:

- (1) Take control of a vessel grounded on a coral reef or in imminent danger of breaking up;
- (2) Take control of a vessel that cannot be immediately removed by the owner in a reasonably safe manner; and
- (3) Take legal action to collect any costs or expenses incurred for the removal of any grounded vessel.

This measure also provides immunity from liability to Department of Land and Natural Resources and persons assisting the department in removing vessels grounded on a coral reef or in imminent danger of breaking up.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2360, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2360, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanohe, Luke and Meyer.
Managers on the part of the House.

Senators Kokubun, Taniguchi, English and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 39-06 on S.B. No. 2485

The purpose of this measure is to encourage agricultural development by authorizing the issuance of special purpose revenue bonds to assist agricultural enterprises operating on agricultural lands.

Your Committee on Conference finds that Hawaii's agriculture industry has the ability to be globally competitive in developing high-value products that take advantage of Hawaii's brand identity. Your Committee on Conference further finds that encouraging agricultural development will not only pay financial dividends to the State, but environmental and social dividends as well.

In 2005, the Legislature passed Act 183, Session Laws of Hawaii, which provides a process for identifying and designating important agricultural lands in Hawaii. As a part of Act 183, the Legislature developed a process for the long-term retention of important agricultural lands for agricultural uses by creating incentives. Your Committee on Conference finds that encouraging agricultural development will provide positive environmental, social, and economic benefits to the State, and this measure will provide one such incentive for preserving important agricultural lands.

Your Committee on Conference has amended this measure by:

- (1) Replacing all references to "agricultural enterprises operating on agricultural lands" with "agricultural enterprises serving important agricultural lands";
- (2) Inserting a definition for "important agricultural lands"; and
- (3) Making technical, nonsubstantive changes for consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2485, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2485, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, B. Oshiro, Tsuji and Halford.
Managers on the part of the House.

Senators Kokubun, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 40-06 on S.B. No. 2487

The purpose of this measure is to increase the number of members on the Hawaii Community Development Authority (HCDA).

Many states have an authority very similar to HCDA. However, many of those authorities have some type of oversight either at the State or the county level. Thus, your Committee on Conference finds that it would be appropriate to have some representatives sitting on HCDA who are appointed from a list submitted by the legislature. Accordingly, this measure provides that two additional members will be appointed by the Governor, one from a list submitted by the Senate President and one from a list submitted by the Speaker of the House of Representatives.

Your Committee on Conference has amended this measure by:

- (1) Providing that the lists submitted to the Governor from the President of the Senate and the Speaker of the House of Representatives will contain not less than three prospective appointees each; and
- (2) Amending the effective date to be "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2487, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2487, H.D. 1, C.D. 1.

Representatives Kanohe, Yamane and Stevens.
Managers on the part of the House.

Senators Kokubun, Inouye, Hee and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 41-06 on S.B. No. 2909

The purpose of this measure is to allow a county to opt out of the automatic approval law by adopting an ordinance to exempt the county as a whole, or any county agency, from the automatic permit approval law.

This measure will help ensure that complex applications are carefully reviewed and that thorough discussion and careful consideration is done before a decision is made regarding a business or development-related permit.

Your Committee on Conference has amended this measure by deleting all of its provisions and inserting the language from S.B. 2909, S.D.1 to make the bill effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2909, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2909, S.D. 1, H.D. 2, C.D. 1.

Representatives Evans, Karamatsu, Luke and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Ige, Inouye, Hanabusa, Kim and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 42-06 on S.B. No. 3262

The purpose of this bill is to prohibit smoking in places open to the public and places of employment.

This bill will protect the public health and welfare by ensuring a consistent level of protection statewide from exposure to secondhand smoke.

Your Committee on Conference amended this bill by changing the effective date to November 16, 2006 to coincide with date of The Great American Smokeout, an annual November event sponsored by the American Cancer Society to help smokers quit cigarettes for at least one day, in the hope that they will quit forever.

Your Committee further amended this bill by changing references from "public places" to "places open to the public" and by making technical, non-substantive amendments for purposes of consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3262, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3262, S.D. 1, H.D. 1, C.D. 1.

Representatives Arakaki, Luke, Green and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Baker, Kanno, Hanabusa, Chu and Oakland.
Managers on the part of the Senate.
(Senator Kanno was excused.)

Conf. Com. Rep. 43-06 on S.B. No. 3192

The purpose of this measure is to establish a Hawaii Sister State Committee to recommend sister state or province relationships to the Legislature for further action.

This measure will increase the oversight of Hawaii's Sister State program by establishing a Sister State Committee to evaluate and develop recommendations for the initiation of all sister state or province relationships. This strengthens Hawaii's Sister State program and increases the program's benefits to our State.

Your Committee on Conference has amended this measure by:

- (1) Replacing all of the provisions with the language from S.B. No. 3192, S.D. 1, the primary difference of which is the number of members on the committee;
- (2) Including a provision that the purpose of the committee shall be to advise the Governor and the Legislature on matters relating to sister state or province relations and relations, in general, between the State and the states or provinces of foreign countries;
- (3) Including a provision that provides for a chair and vice chair of the committee to be appointed by the committee members from among themselves; and
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3192, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3192, S.D. 1, H.D. 2, C.D. 1.

Representatives Hale, Karamatsu, Wakai and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators English, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings was excused.)

Conf. Com. Rep. 44-06 on S.B. No. 3105

The purpose of this measure is to increase the number of reverse vending machines available to consumers and improve Hawaii's redemption and recycling infrastructure.

This measure will:

- (1) Extend the reverse vending machine rebate program to a person who is not a dealer or recycler;
- (2) Extend the date by which a reverse vending machine must be operational to qualify for a rebate;
- (3) Change the rebate amount to fifty percent of the cost of a reverse vending machine;
- (4) Delete the requirement that an application for a rebate must be made prior to the purchase of a reverse vending machine; and
- (5) Extend the sunset date of the reverse vending machine, redemption center, and recycling infrastructure improvement programs.

Your Committee on Conference amended this measure by:

- (1) Reinserting a provision that prohibits rebates from exceeding \$3,000,000 in the aggregate in any fiscal year;

- (2) Extending the sunset date of the reverse vending machine, redemption center, and recycling infrastructure improvement programs to June 30, 2009;
- (3) Making the measure effective on June 29, 2006, to prevent the reverse vending machine, redemption center, and recycling infrastructure improvement programs from being repealed before they are extended; and
- (4) Technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3105, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3105, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Herkes, Takamine, Yamashita and Pine.
Managers on the part of the House.

Senators English, Menor, Taniguchi, Espero, Hooser and Hogue.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 45-06 on S.B. No. 3185

The purpose of this measure is to:

- (1) Authorize the Public Utilities Commission (PUC) to redirect all or a portion of the funds collected from ratepayers through the current demand-side management surcharge by Hawaii's electric utilities into a public benefits fund to be used to support energy-efficiency and demand-side management programs and services;
- (2) Require the PUC to appoint a fund administrator if the PUC establishes a public benefits fund and establish qualifications, duties, and limitations for the fund administrator;
- (3) Require the PUC to provide for the transition from the current demand-side management programs supported by the surcharge to the ones supported by the public benefits fund if it is established by the PUC;
- (4) Require the PUC to establish a methodology for determining the just and reasonable rate that a public utility must pay for electricity generated by a producer using nonfossil fuel that removes or significantly reduces any linkage between the price of fossil fuels and the rate for the nonfossil fuel generated electricity to allow customers to share in the potential savings derived from the use of nonfossil fuel generated electricity;
- (5) Add a definition for "renewable electrical energy" and amend the definitions for "cost-effective," "renewable energy," and "renewable portfolio standard" in section 269-91, Hawaii Revised Statutes (HRS);
- (6) Require the PUC to examine the functioning of the utility's fuel adjustment clause by December 31, 2007, or in the utility's next general rate case, whichever comes first, to determine:
 - (A) Whether the clause operates in a manner that is fair to ratepayers; and
 - (B) Whether the clause should be modified to encourage greater use of renewable energy by the utility;
- (7) Authorize the PUC to establish standards for each utility that prescribe what portion of the renewable energy standards shall be met by specific types of resources, provided that at least fifty percent of the RPS shall be met by electrical energy produced by traditional renewable energy resources, such as wind, solar, waste-to-energy, and wave energy;
- (8) Establish penalties for the failure of a utility to meet the RPS requirements, and criteria for waiver of the penalties; and
- (9) Make adjustments to RPS percentages concerning the next fifteen years.

This measure will increase Hawaii's energy self-sufficiency.

Your Committee has amended this bill by:

- (1) Requiring that any automatic fuel rate adjustment clause requested by a public utility in an application filed with the commission shall be designed, as determined in the commission's discretion, to:
 - (A) Fairly share the risk of fuel cost changes between the public utility and its customers;
 - (B) Provide the public utility with sufficient incentive to reasonably manage or lower its fuel costs and encourage greater use of renewable energy;
 - (C) Allow the public utility to mitigate the risk of sudden or frequent fuel cost changes that cannot otherwise reasonably be mitigated through other commercially available means, such as through fuel hedging contracts;
 - (D) Preserve, to the extent reasonably possible, the public utility's financial integrity; and

- (E) Minimize, to the extent reasonably possible, the public utility's need to apply for frequent applications for general rate increases to account for the changes to its fuel costs;
- (2) Adding a definition for "biofuels" using language that was embedded in the definition of "renewable energy";
- (3) Moving provisions that were embedded in the definition of "renewable electrical energy" to subsection 269-92(b), HRS, and clarifying in that subsection that:
 - (A) The renewable portfolio standards shall be met by specific types of renewable electrical energy resources; and
 - (B) At least fifty percent of the renewable portfolio standards shall be met by electrical energy generated using renewable energy as the source;
- (4) Requiring the public utilities commission to hold a hearing in accordance with chapter 91 prior to the imposition of any penalties;
- (5) Making the measure effective upon approval; and
- (6) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3185, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3185, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Herkes, Takamine and Thielen.
Managers on the part of the House.

Senators English, Menor, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 46-06 on S.B. No. 2339

The purpose of this bill is to make emergency appropriations to the Department of Health for the emergency medical services system branch.

This bill will alleviate a critical funding emergency that exists for the fiscal year beginning July 1, 2005 and ending June 30, 2006 by appropriating funds that will pay ambulance service contract collective bargaining costs, contract ambulance billing and collection costs, fuel, other ambulance service operating costs, and helicopter medical transport services.

Your Committee on Conference amended this bill by changing the amount to be appropriated from the general revenues to \$6,601,552 to be distributed as follows:

- (1) \$2,982,938 for the city and county of Honolulu;
- (2) \$763,965 for the county of Hawaii;
- (3) \$279,685 for the American Medical Response-Maui;
- (4) \$126,121 for the American Medical Response-Kauai;
- (5) \$92,346 for contract ambulance billing and collection costs; and
- (6) \$2,356,497 for the Hawaii Army National Guard.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2339, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2339, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Takamine, Green, Lee, Yamane and Halford.
Managers on the part of the House.

Senators Baker, Taniguchi, Chun Oakland, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 47-06 on S.B. No. 2323

The purpose of this measure is to authorize the Judiciary to establish and implement a federal revenue maximization program for services provided to children under the jurisdiction of the District and Family Courts who may be eligible for federal financial participation.

This measure will help to ensure that the State receives federal reimbursement for eligible services provided by the Judiciary to children under the care of the State's District and Family Courts.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2323, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2323, S.D. 2, H.D. 1, C.D. 1.

Representatives Sonson, Luke, Carroll and Pine.
Managers on the part of the House.

Senators Chun Oakland, Hanabusa, Tsutsui, Taniguchi and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 48-06 on S.B. No. 2941

The purpose of this measure is to create a class C felony for criminal property damage offenses for setting brush fires. In addition, this measure also permits the courts to assess a defendant for the costs of fighting a fire. This measure also makes a parent or guardian liable for the costs of extinguishing the fire based upon the percentage of damage done by the minor.

Brush fires are a serious problem in our State. The Honolulu Police Department reported a total of 562 brush fires in District 8, spanning from Ewa Beach to the Waianae Coast, last year. The Honolulu Police Department further noted that on one day alone last year, fires raged from Iroquois Point all the way to Makaha.

Your Committee finds that the creation of liability for damages for parents of minor defendants will be a strong incentive for parents and legal guardians to take a more proactive approach in regulating the actions of their children.

Your Committee on Conference has amended this measure to delete the creation of a class C felony for damage caused by brush fire and instead has created a special sentencing consideration for arson. Your Committee on Conference retained the language:

- (1) Allowing the costs associated with putting out a fire and community service to be assessed against the person who set the fire;
- (2) Allowing a parent or guardian to be liable for the cost of extinguishing the fire based upon the percentage of damage done by the minor; and
- (3) Stating that the measure does not prohibit a separate criminal or civil action from being brought.

Your Committee on Conference also amended this measure to make it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2941, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2941, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, Sonson and Thielen.
Managers on the part of the House.
(Representative Sonson was excused.)

Senators Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 49-06 on S.B. No. 2260

The purpose of this measure is to provide for a mandatory sentence of thirty years to life for habitual violent offenders.

There is strong support for a mandatory sentence of thirty years to life for habitual violent offenders. However, your Committee on Conference emphasizes that this measure is not the same as the "Three Strikes" law that is currently followed in California.

Your Committee on Conference has amended this measure to:

- (1) Delete the section that provided that the court may, upon the motion of the defendant, impose a mitigated sentence that departs from the mandatory sentencing requirements in the measure;
- (2) Insert language to state that a person is a "habitual violent felon" if either the current conviction or at least one of the prior and separate convictions is for an offense other than burglary in the first degree. This insertion is to ensure the intent of the Legislature that three burglaries are not to be subject to mandatory sentencing under this measure;

- (3) Reinsert the offenses of sexual assault in the second degree, continuous sexual assault of a minor under the age of fourteen years, robbery in the second degree, and burglary in the first degree to the list of offenses that fall under the definition of "crimes of violence"; and
- (4) Change the effective date to upon approval and change the sunset date to July 1, 2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2260, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2260, S.D. 1, H.D. 1, C.D. 1.

Representatives B. Oshiro, Luke and Thielen.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 50-06 on S.B. No. 951

The purpose of this measure is to include arson as a new class of property damage and defines four degrees of the offense of arson with appropriate sanctions.

Your Committee on Conference finds that intentionally set fires cause extensive damage to public and private properties and threaten lives. Accordingly, this measure:

- (1) Creates a new part within chapter 708, Hawaii Revised Statutes (HRS), to establish the crime of arson in the first, second, third, and fourth degrees, as property damage offenses;
- (2) Excludes "fire" from the definition of "widely dangerous means"; and
- (3) Excludes property damage caused by means of fire from the offense of criminal property damage in the first, second, third, and fourth degrees and aggravated criminal property damage.

Your Committee on Conference has amended this measure by making it effective upon its approval.

Your Committee on Conference noted concerns that fires caused by military exercises and training activities may be subject to the new arson provisions. However, your Committee on Conference finds that the military will not violate these provisions because the measure clearly states that the person who commits the arson must have intentionally or knowingly set fire to property or caused property to be burned and further, that the fire must be set without the other's consent.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 951, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 951, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanohe, Luke and Thielen.
Managers on the part of the House.

Senators Kokubun, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 51-06 on H.B. No. 1917

The purpose of this bill is to propose an amendment to the State Constitution to establish a salary commission to review and make recommendations for the salaries of the Governor, Lieutenant Governor, members of the Legislature, justices and judges of all state courts, Administrative Director of the State, department heads or executive officers of the executive departments, and deputies or assistants to department heads of the executive departments, excluding the University of Hawaii and the Department of Education.

Your Committee on Conference has amended this bill by:

- (1) Requiring the salary commission to submit its recommendation beginning with the Regular Session of the 2007 Legislature;
- (2) Specifying that any change in salary which becomes effective shall not apply to the Legislature to which the recommendation for the change in salary was submitted; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1917, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1917, H.D. 2, S.D. 2, C.D. 1.

Representatives Magaoay, Luke, Yamane and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Hanabusa, Taniguchi, Ihara and Slom.
Managers on the part of the Senate.
(Senator Ihara was excused.)

Conf. Com. Rep. 52-06 on H.B. No. 2098

The purpose of this bill is to provide persons with developmental disabilities or mental retardation the freedom to live where they want as long as it is determined that the person is safe and has adequate support.

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

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

Representatives Arakaki, Sonson and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Baker, Chun Oakland, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 53-06 on H.B. No. 2282

The purpose of this bill is to amend the registration law for sex offenders and other covered offenders. Specifically, this bill:

- (1) Amends the definition of "repeat covered offender" to expressly except the conviction of multiple counts within a single charging document;
- (2) Adds conviction for a covered offense, unless incarcerated, and release on probation as events requiring a covered offender remaining in the state for a certain period of time to register with the police;
- (3) Specifies that the Attorney General (AG) must represent the State in any civil proceeding to terminate public access to registration information, unless the AG designates the prosecuting agency that prosecuted the covered offender for the most recent covered offense within the state, with the prosecuting agency's consent;
- (4) Requires covered offenders subject to registration to:
 - (A) Notify the AG if the offender is absent from the offender's registered residence for at least ten days and fails to establish a new residence; and
 - (B) Report to a police station by the last day of every month and disclose where the offender has slept in the previous month, until the offender establishes a new residence and notifies the AG of the new residence;and
- (5) Amends the offense of failure to comply with covered offender registration requirements to include an offender who fails to satisfy the new reporting requirements for offenders absent from their registered residence.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2282, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2282, H.D. 1, S.D. 1, C.D. 1.

Representatives B. Oshiro, Caldwell and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 54-06 on H.B. No. 2897

The purpose of this bill is to amend the effective date of various changes to the appellate court system made by Act 202, Session Laws of Hawaii 2004 (Act 202). Specifically, this bill delays the effective date of these changes from July 1, 2006, to January 1, 2007.

Your Committee on Conference has amended this bill by:

- (1) Restoring the effective date of the changes provided for in Act 202 to July 1, 2006;
- (2) Inserting a sunset date of June 30, 2010, for the changes provided for in Act 202;
- (3) Requiring the Judiciary to submit a report to the Legislature prior to the Regular Session of 2010, assessing the effect of Act 202 on the appellate court system; and
- (4) Changing the effective date of this bill to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2897, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2897, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Marumoto.
Managers on the part of the House.

Senators Hanabusa, English, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 55-06 on H.B. No. 2639

The purpose of this bill is to single-out and sanction highly intoxicated drivers (HIDs), whose blood alcohol level makes HIDs particularly dangerous to themselves, the driving public, and pedestrians by, among other things:

- (1) Authorizing the arresting law enforcement personnel to take possession of the HID's motor vehicle registration, remove the number plates, and issue a temporary motor vehicle registration and temporary number plates for the motor vehicle;
- (2) Authorizing, under the administrative revocation law:
 - (A) A six-month revocation of the registration of any motor vehicle registered to the HID and of license and privilege to operate a vehicle; and
 - (B) Prohibiting the HID from qualifying for a conditional license permit; and
- (2)[sic] For a person convicted of being an HID operating a vehicle while under the influence of an intoxicant, promptly suspending, for a period of six-months, the HID's license and privilege to operate a vehicle.

Your Committee on Conference finds that HIDs are a danger to themselves as well as other drivers and pedestrians on Hawaii's roadways. Enhancing penalties for those persons who drive while highly intoxicated will serve as a deterrent to this type of activity.

Your Committee on Conference has amended this measure by:

- (1) Defining a "highly intoxicated driver" as a person whose measurable amount of alcohol is 0.15 or more grams of alcohol per one hundred milliliters or cubic centimeters of the person's blood, or 0.15 or more grams of alcohol per two hundred ten liters of the person's breath, as measured at the time of the offense, or within three hours of the time of the offense;
- (2) Specifying that the penalties for HIDs under the age of 21 convicted of operating a vehicle after consuming a measurable amount of alcohol shall be the same as the penalties for second violation that occurs within five years of a prior alcohol enforcement contact; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2639, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2639, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Luke and Stevens.
Managers on the part of the House.

Senators Inouye, Hanabusa, Baker and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 56-06 on H.B. No. 1861

The purpose of this bill is to remove redundancy in Department of Education (DOE) operations by repealing the requirement that the Superintendent of Education provide to the Board of Education an annual report of principal transactions within DOE.

Your Committee on Conference has amended this bill by changing the effective date to upon approval.

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

Representatives Takumi, Berg and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Chun Oakland, Nishihara and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 57-06 on H.B. No. 862

The purpose of this bill is to improve public safety on Hawaii's roadways by creating severe penalties for those who drive at excessive speeds. Among other things, this bill:

- (1) Creates a criminal offense for excessive speeding;
- (2) Defines "excessive speeding" as exceeding the speed limit by 25 miles per hour or more or driving 80 miles per hour or more irrespective of the speed limit; and
- (3) Provides for graduated sentencing for excessive speeding violations, including driver's license suspension or revocation, mandatory driver retraining, fines, assessments, community service, and imprisonment.

Your Committee on Conference finds that numerous community concerns have been raised regarding drivers who operate their vehicles at unsafe speeds and endanger the lives of fellow motorists and pedestrians. This measure addresses these concerns.

Your Committee on Conference has amended this measure by:

- (1) Increasing the lower parameter by which an individual driving a vehicle exceeds the applicable speed limit before being guilty of "excessive speeding" from 25 miles-per-hour to 30 miles-per-hour over the applicable speed limit;
- (2) Changing the effective date from July 1, 2050, to January 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 862, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 862, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Luke, Lee and Stevens.
Managers on the part of the House.

Senators Inouye, Hanabusa, Hee and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 58-06 on H.B. No. 2422

The purpose of this bill is to enhance pedestrian safety by:

- (1) Establishing a three-tiered sentencing structure with graduated penalties for drivers who violate Hawaii's pedestrian crosswalk law; and
- (2) Providing that persons subject to revocation of their license for failure to comply with Hawaii's pedestrian crosswalk law will not be required to show proof of financial responsibility pursuant to section 287-20, Hawaii Revised Statutes, while still permitting the court to set an appropriate amount to be paid by the defendant as proof of financial responsibility for the reinstatement of the defendant's privilege to operate a motor vehicle.

Your Committee on Conference finds that pedestrian fatalities and injuries continue to plague Hawaii's roadways. Many of these incidents occur when drivers fail to stop for pedestrians. Strengthening Hawaii's pedestrian crosswalk law through enhanced penalties will act as a deterrent to drivers who might not otherwise stop for pedestrians in crosswalks.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a second failure to comply within one year of the date of a first failure to comply will result in a fine of not less than \$300 and revocation of license and privilege to operate a vehicle for a period not less than 180 days;
- (2) Changing the effective date from upon approval to January 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2422, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2422, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Luke and Stevens.
Managers on the part of the House.

Senators Inouye, Hanabusa, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 59-06 on H.B. No. 386

The purpose of this bill is to amend the jury service exemptions. Specifically, this bill:

- (1) Repeals the exemptions, except for jurors who:
 - (A) Are active members of a police or fire department; or
 - (B) Have served within the last year;and
- (2) Establishes exemptions for persons who:
 - (A) Are members of an emergency medical services agency;
 - (B) Live more than 70 miles from the court for which jury service is required; or
 - (C) Are age 80 or older.

Your Committee on Conference has amended this bill by:

- (1) Providing for jury service exemptions for:
 - (A) Elected officials while the Legislature is in session;
 - (B) Judges of the United States, State, or county;
 - (C) Active practicing physicians; and
 - (D) Members of the armed forces or militia when on active service and deployed out-of-state;
- (2) Specifying that the exemption for members of an emergency medical services agency apply to active members only; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 386, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 386, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 60-06 on H.B. No. 2199

The purpose of this bill is to prohibit the binding of the State to government procurement rules contained in certain international trade agreements without legislative action.

Your Committee on Conference has amended this bill by, among other things:

- (1) Eliminating retroactive actions on international agreements signed prior to the effective date of this bill;
- (2) Clarifying that international relationships such as sister-state or sister-city agreements between a state or county and a foreign nation or its sub-national entity are excluded from the international trade agreements that must gain legislative approval;
- (3) Requiring the Revisor of Statutes to remain mindful of the obligations of the State specified in international trade agreements to which the State is a consenting party and annotate statutes affected by this Act; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2199, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2199, H.D. 2, S.D. 1, C.D. 1.

Representatives Hale, Karamatsu, B. Oshiro and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Inouye, English, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 61-06 on H.B. No. 1955

The purpose of this measure is to increase the mandatory fines for civil and criminal littering violations.

Specifically, this measure increases the mandatory minimum civil fine for littering from \$25 to \$250, increases the mandatory minimum criminal fine from \$25 to \$500, and increases the mandatory maximum criminal fine from \$500 to \$1,000.

Your Committee finds that many communities in Hawaii suffer from serious littering problems. The problem is exacerbated by a lack of enforcement and fines for littering that are insufficient to deter violators.

By increasing the fines for littering, this measure adds "teeth" to the littering laws and provides a substantial deterrent to litter violators.

Your Committee has amended the measure by:

- (1) Reducing the mandatory minimum civil fine for littering from the proposed \$250 to \$100; and
- (2) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1955, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1955, H.D. 1, S.D. 1, C.D. 1.

Representatives Morita, B. Oshiro and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators English, Ige, Hanabusa and Slom.
Managers on the part of the Senate.
(Senator Ige was excused.)

Conf. Com. Rep. 62-06 on H.B. No. 2367

The purpose of this bill is to protect Hawaii's children by:

- (1) Requiring employees, prospective employees, and volunteers who seek employment with contracted providers or subcontractors of the Office of Youth Services (OYS) of the Department of Human Services, which would place them in close proximity to youth, to be subject to criminal history record checks;
- (2) Requiring OYS to develop a system for obtaining verifiable information for the criminal history records;
- (3) Allowing OYS to require a contracted provider or subcontractor to refuse employment to an applicant, terminate an employee, or terminate the services of a volunteer under certain circumstances; and
- (4) Exempting OYS from section 831-3.1, Hawaii Revised Statutes (HRS), which controls the government's use of prior convictions to make employment decisions, and from the administrative procedures of Chapter 91, HRS, when conducting its investigation, notifications, or hearings on criminal history record checks.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that all volunteers, rather than just volunteers who are seeking employment, with contracted providers or subcontractors in positions that place them in close proximity to youth when providing services on behalf of OYS shall be required to agree to criminal history record checks; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2367, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2367, H.D. 1, S.D. 1, C.D. 1.

Representatives Caldwell, Sonson, Luke and Meyer.
Managers on the part of the House.

Senators Chun Oakland, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 63-06 on H.B. No. 1809

The purpose of this bill is to assist the State's citizen-soldiers by allowing all members of the United States armed forces on active federal service outside Hawaii to renew their driver's license within 90 days of their return to the state or discharge from hospitalization.

Your Committee on Conference has amended this bill by:

- (1) Amending the entire section 286-107, Hawaii Revised Statutes, instead of just subsection (a);
- (2) Removing the provision that allows for members of the United States armed forces to renew their license by mail; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1809, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1809, H.D. 2, S.D. 2, C.D. 1.

Representatives Ito, Souki, Chong and Moses.
Managers on the part of the House.

Senators Inouye, Ige, Sakamoto and Hogue.
Managers on the part of the Senate.
(Senator Sakamoto was excused.)

Conf. Com. Rep. 64-06 on H.B. No. 2343

The purpose of this bill is to penalize the commission of certain crimes during a time of a civil defense emergency proclaimed by the Governor pursuant to law.

Your Committees on Conference has amended this bill by:

- (1) Clarifying the provisions to refer to a civil defense emergency proclaimed by the Governor under Chapter 128, Hawaii Revised Statutes (HRS), or during a period of disaster relief under Chapter 127, HRS;
- (2) Clarifying for consistency, the definition and pertinent sections to refer to an emergency worker instead of civil defense worker;
- (3) Changing the effective date to take effect upon its approval; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2343, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2343, H.D. 1, S.D. 2, C.D. 1.

Representatives Ito, B. Oshiro and Moses.
Managers on the part of the House.

Senators Inouye, Hanabusa, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 65-06 on H.B. No. 3121

The purpose of this bill is to ensure the safety of pet animals and their owners by providing emergency shelters for pets.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the purpose section to refer to emergency periods instead of civil defense emergency periods; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3121, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3121, H.D. 2, S.D. 1, C.D. 1.

Representatives Ito, Chong, Tanaka, Moses and Yamane.
Managers on the part of the House.
(Representative Tanaka was excused.)

Senators Inouye, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 66-06 on H.B. No. 2974

The purpose of this bill is to extend the time allowed to acquire land to be designated as part of the proposed South Kona Wilderness Area for one year to December 31, 2007.

Your Committee on Conference has amended this bill by:

- (1) Providing that this bill shall take effect upon its approval; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2974, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2974, S.D. 1, C.D. 1.

Representatives Kanoho, Tsuji and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Kokubun, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 67-06 on H.B. No. 2899

The purpose of this bill is to change the requirement that a judgment debtor's full social security number be included on a judgment, order, or decree that is being recorded for lien purposes. The bill requires only the last four digits of the social security number, also states that liens do not continue beyond the time period that the underlying judgment, order, or decree is in force, and clarifies that liens apply to judgments, including their underlying orders and decrees.

Your Committee on Conference has amended this bill by:

- (1) Deleting the amendments pertaining to the requirement that the judgment debtor's social security number be included on the recorded judgment, to allow this issue to be considered by the task force created by Act 65, Session Laws of Hawaii 2005, currently known as the Hawaii Anti-Phishing Task Force, and proposed to be renamed the Identity Theft Task Force under H.B. No. 3244, H.D. 1, S.D. 2; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2899, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2899, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, Caldwell and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Hanabusa, Chun Oakland and Whalen.

Managers on the part of the Senate.

Conf. Com. Rep. 68-06 on H.B. No. 3217

The purpose of this bill is to recognize the very significant role of kupuna in Hawaii's culture, history, and traditions by designating the fourth Saturday of July as Kupuna Recognition Day.

Your Committee on Conference has amended this bill by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3217, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3217, H.D. 1, S.D. 1, C.D. 1.

Representatives B. Oshiro, Kawakami, Carroll and Pine.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Chun Oakland, Tsutsui, Ihara, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Ihara and Taniguchi were excused.)

Conf. Com. Rep. 69-06 on H.B. No. 2039

The purpose of this measure is to require the Department of Health to adopt rules establishing procedures and guidelines for emergency and long-term decontamination and remediation of illegal methamphetamine manufacturing sites.

Your Committee finds that the procedures and guidelines required by this measure will address the threat to public health posed by toxic chemicals left behind by illegal drug manufacturing.

Your Committee has amended this measure by:

- (1) Deleting the proviso language in section 4 repealing section 2 as unnecessary because section 2 already provides that permanent rules, once adopted by the Department of Health, will supersede the interim rules; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2039, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2039, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Luke, Chong and Thielen.
Managers on the part of the House.

Senators Baker, Hanabusa, Tsutsui, Chun Oakland, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senators Chun Oakland and Hanabusa were excused.)

Conf. Com. Rep. 70-06 on H.B. No. 2503

The purpose of this measure is to delete the reference to vehicles that are "ten model years old or older" from the list of conditions in section 290-8, Hawaii Revised Statutes, which permit a derelict vehicle to be disposed of without notice to the owner.

This measure also changes the references to the "housing and community development corporation of Hawaii" to the "Hawaii public housing administration" to reflect changes made by Act 196, Session Laws of Hawaii 2005, that take effect on July 1, 2006.

Your Committee has amended this measure by:

- (1) Inserting a findings and purpose section to clarify the legislature's intent in adopting this measure; and
- (2) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2503, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2503, H.D. 2, S.D. 1, C.D. 1.

Representatives Morita, Luke, Chong and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Inouye, Ige, Espero and Whalen.

Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 71-06 on H.B. No. 1935

The purpose of this bill is to protect prospective buyers of residences in planned communities by requiring the seller to include the planned community declaration and association documents in the disclosure statement that must be provided to the buyer under Chapter 508D, Hawaii Revised Statutes.

Your Committee on Conference has amended this bill, which takes effect upon its approval and is applicable starting December 31, 2006, by, instead, making the bill effective on July 1, 2006. Technical, nonsubstantive amendments were made for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1935, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1935, H.D. 1, S.D. 1, C.D. 1.

Representatives Herkes, Luke, Karamatsu and Marumoto.
Managers on the part of the House.

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 72-06 on H.B. No. 2555

The purpose of this bill is to foster responsible development in the heart of Honolulu by prohibiting the Hawaii Community Development Authority (HCDA) from:

- (1) Selling or otherwise assigning the fee simple interest in any public lands in the Kakaako Community Development District (District); or
- (2) Approving any plan or proposal for residential development within the District that is makai of Ala Moana Boulevard.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that HCDA is prohibited from selling or otherwise assigning the fee simple interest in any lands within the District to which HCDA in its corporate capacity holds title, except with respect to:
 - (A) Utility easements;
 - (B) Remnants as defined in section 171-52, Hawaii Revised Statutes;
 - (C) Grants to any state or county department or agency; or
 - (D) Private entities for purposes of any easement, roadway, or infrastructure improvements;
- (2) Clarifying that the prohibition against HCDA's approval of any plan or proposal for residential development within the District that is makai of Ala Moana Boulevard extends between Kewalo Basin and the Foreign Trade Zone;
and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2555, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2555, H.D. 2, S.D. 2, C.D. 1.

Representatives Kanohe, Yamane and Stevens.
Managers on the part of the House.

Senators Kokubun, Taniguchi, Fukunaga, Inouye and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 73-06 on H.B. No. 2991

The purpose of this bill is to promote the development of affordable housing through enabling legislation that establishes the manner and procedure for the issuance of special purpose revenue bonds (SPRBs) to public instrumentalities and their qualified affiliates to develop low- and moderate-income housing.

Your Committee on Conference recognizes that the reference to "qualified affiliate" in the definition of a "project party" may not be necessary because a qualified affiliate would generally fall within the definition of a "project party" as a not-for-profit private organization or a for-profit private organization. However, your Committee on Conference elected to retain the reference to "qualified affiliate" to make it clear that SPRBs would be available to assist not only low- and moderate-income housing projects developed by not-for-profit private organizations, for-profit private organizations, and public instrumentalities, but also to assist low- and moderate-income housing projects developed by the joint efforts of public instrumentalities and not-for-profit private organizations or for-profit private organizations.

Your Committee on Conference also notes that the Attorney General expressed in a letter dated April 7, 2006, that the provisions in this measure meet constitutional requirements and do not require an accompanying constitutional amendment.

Additionally, your Committee on Conference expresses its hope that in the event that competing requests for the authorization of SPRBs occur during the same legislative session, that the Legislature would give first consideration to authorizing bonds for the low- and moderate-income housing project that will provide housing to the lowest income families.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Authorizing not-for-profit private organizations and for-profit private organizations, in addition to public instrumentalities and their qualified affiliates, to be eligible for SPRBs for the development of low- and moderate-income housing;
- (2) Including projects qualifying for federal tax exempt status under 26 U.S.C. §142(a)(7) and (d) as projects that may qualify for SPRBs under this measure;
- (3) Specifying that the State shall not operate a project on behalf of an entity qualifying for SPRBs;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2991, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2991, H.D. 2, S.D. 2, C.D. 1.

Representatives Kahikina, Luke, Nishimoto and Pine.
Managers on the part of the House.
(Representative Luke was excused.)

Senators Menor, Taniguchi, Baker, Espero and Tsutsui.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 74-06 on H.B. No. 2772

The purpose of this bill is to protect Hawaii's agricultural and aquacultural industries by establishing that a person commits the offense of criminal property damage:

- (1) In the first degree, if the person intentionally or knowingly damages the agricultural or aquacultural equipment, supplies, or products of another without the other's consent, in an amount exceeding \$1,500; provided that in calculating the damage, the value of future crops that were damaged is included;
- (2) In the second degree, if the person intentionally or knowingly damages the agricultural or aquacultural equipment, supplies, or products of another without the other's consent, in an amount exceeding \$500; provided that in calculating the damage, the value of future crops that were damaged is included; and
- (3) In the third degree, if the person intentionally damages the agricultural or aquacultural equipment, supplies, or products of another without the other's consent.

After further consideration, your Committee on Conference has amended this measure by:

- (1) Clarifying that a person commits the offense of criminal property damage in the third degree if the person intentionally damages the agricultural or aquacultural equipment, supplies, or products of another without the other's consent, in an amount exceeding \$100; provided that in calculating the damage, the value of future crops that were damaged is included; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2772, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2772, H.D. 1, S.D. 2, C.D. 1.

Representatives Chang, B. Oshiro and Halford.
Managers on the part of the House.

Senators Kokubun, Hanabusa and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 75-06 on H.B. No. 2145

The purpose of this bill is to promote agricultural tourism and facilitate the use of farm lands for this purpose by:

- (1) Making qualifying agricultural tourism activities a permitted use in the agricultural district;
- (2) Requiring counties to adopt ordinances to regulate agricultural tourism before these activities are allowed in the county;
- (3) Prohibiting the establishment of overnight accommodations for agricultural tourism activities; and
- (4) Requiring an environmental assessment for actions that propose the use of state or county lands for the purposes of conducting agricultural tourism.

Your Committee on Conference has amended this measure by:

- (1) Giving the counties the discretion to require an environmental assessment as a condition to any agricultural tourism use;
- (2) Clarifying that agricultural tourism activity cannot interfere with surrounding farm operations; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2145, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2145, H.D. 2, S.D. 1, C.D. 1.

Representatives Kanohe, Chang, Luke, Yamashita and Halford.
Managers on the part of the House.

Senators Kim, Kokubun, Ige and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 76-06 on H.B. No. 2848

The purpose of this measure is to appropriate funds to reconvene the Hawaii Energy Policy Forum to implement the Forum's "Ten Point Plan" to meet Hawaii's energy goals.

The measure also requires the Forum to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2007.

Your Committee on Conference finds that, in May 2002, the Hawaii Energy Policy Forum was established and convened to develop an energy plan and to formulate energy-related strategies for Hawaii through 2030. Later, in December 2003, the Forum convened a policy summit to provide a community-based forum to review its work and to make recommendations. The Forum's final report, "Hawaii at the Crossroads: A Long Term Energy Strategy," sets forth recommended guiding principles and policy options to meet Hawaii's long term energy needs.

This measure provides the necessary funds to reconvene the Forum to develop a detailed action plan and timeline to implement the "Ten Point Plan" and to achieve other objectives of the Forum.

Your Committee on Conference has amended this bill by:

- (1) Providing \$200,000 for the purposes of this measure;
- (2) Requiring the Forum to assess the feasibility of the State participating in the Chicago Climate Exchange;
- (3) Changing its effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2848, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2848, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Evans and Pine.
Managers on the part of the House.

Senators English, Taniguchi, Espero and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 77-06 on H.B. No. 1706

The purpose of this measure is to establish the Uniform Environmental Covenants Act.

Specifically, this measure:

- (1) Ensures that land use restrictions, environmental monitoring requirements, and common engineering controls designed to control the potential environmental risk of residual contamination are reflected in land records and effectively enforced over time as a real property servitude; and
- (2) Facilitates the transfer of ownership and the re-use of contaminated properties by establishing a procedure that:
 - (A) Creates, modifies, or terminates environmental covenants; and
 - (B) Requires the recording of the foregoing actions in instruments reflected in the title abstract of the property.

Your Committee is aware of the concern raised at public hearing that this measure not impede the ability of a public utility to effectively and efficiently operate and maintain its facilities for the benefit of its customers. However, your Committee believes further language is unnecessary because the proposed Uniform Environmental Covenants Act was never intended to apply to easements owned, operated, or maintained by the utilities or other providers of essential public services.

Your Committee has amended this measure by:

- (1) Amending the purpose clause on page 1, at lines 7-8, to clarify that "there exists no clear authority nor any process for ensuring" that certain controls remain valid and enforceable despite changes in property ownership;
- (2) Adding a short title section to provide that the proposed chapter may be cited as the Uniform Environmental Covenants Act;
- (3) Renumbering the remaining sections of the new chapter consecutively and changing cross references for consistency; and
- (4) Deleting "shall be provided" from section -8 of the proposed chapter to eliminate redundancy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1706, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1706, H.D. 3, S.D. 1, C.D. 1.

Representatives Morita, Kanoho, B. Oshiro, Evans and Thielen.
Managers on the part of the House.

Senators English, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 78-06 on H.B. No. 439

The purpose of this bill is to enable the Office of the Ombudsman to access state tax returns and tax return information relating to its official duties, including the investigation of the administrative acts of agencies.

Your Committee on Conference has amended this bill by:

- (1) Limiting the Ombudsman's access to tax returns and return information of any taxpayer who files a complaint with the Ombudsman about an administrative act of the Department of Taxation;
- (2) Limiting this access to tax returns and return information to only the Ombudsman and not to an authorized representative;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 439, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 439, H.D. 1, S.D. 2, C.D. 1.

Representatives Magaoay, Luke, Yamane and Halford.
Managers on the part of the House.

Senators Inouye, Hanabusa and Taniguchi.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 79-06 on H.B. No. 2271

The purpose of this bill is to ensure proper use of the State's non-agricultural park lands by authorizing the Department of Agriculture to:

- (1) Dispose of public lands for agricultural or aquacultural purposes;
- (2) Plan, develop, and manage certain non-agricultural park lands; and
- (3) Negotiate leases for agricultural purposes.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date from July 1, 2050, to upon approval; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2271, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2271, H.D. 1, S.D. 2, C.D. 1.

Representatives Kanoho, Chang, Luke, Yamane and Meyer.
Managers on the part of the House.

Senators Kokubun, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 80-06 on H.B. No. 1878

The purpose of this bill is to improve the ability of Hawaii's securities industry to conduct business on a nationwide basis by conforming Hawaii's investment security adviser compensation law to federal securities law. This bill continues to protect consumers while allowing investment securities advisers to be compensated based on the performance of the funds or portfolio that the investment adviser manages:

- (1) Upon meeting the conditions and requirements in rule 205-3 of the Investment Advisers Act of 1940; and
- (2) If, in addition to the requirements of the United States Securities and Exchange Commission Form ADV, the investment adviser discloses all material information concerning the advisory arrangement to the client before entering into the contract.

Your Committee on Conference has made technical, nonsubstantive amendments to this bill for clarity, consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1878, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1878, S.D. 1, C.D. 1.

Representatives Herkes, Schatz and Marumoto.
Managers on the part of the House.
(Representative Schatz was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 81-06 on H.B. No. 2265

The purpose of this bill is to transfer certain functions concerning paroled individuals from the Hawaii Paroling Authority (HPA) to the Department of Public Safety (DPS).

Your Committee on Conference has amended this bill by:

- (1) Requiring HPA and DPS to meet to discuss the effective transfer of HPA's supervisory and counseling functions;
- (2) Changing the effective date to upon approval; provided that sections 2 through 8 take effect on July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2265, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2265, H.D. 2, S.D. 1, C.D. 1.

Representatives Ito, Caldwell, Chong and Moses.
Managers on the part of the House.

Senators Hanabusa, English and Whalen.
Managers on the part of the Senate.
(Senator English was excused.)

Conf. Com. Rep. 82-06 on H.B. No. 3242

The purpose of this bill is to prohibit the consumption of liquor by a person under the age of 21.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3242, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3242, S.D. 1, C.D. 1.

Representatives Luke, Souki and Thielen.
Managers on the part of the House.
(Representative Souki was excused.)

Senators Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Chun Oakland was excused.)

Conf. Com. Rep. 83-06 on H.B. No. 2410

The purpose of this bill is to amend the Uniform Controlled Substances Act to:

- (1) Add the drug Zopiclone (Lunesta) to the list of schedule IV controlled substances;
- (2) Clarify that the exception from certain requirements of the Uniform Controlled Substances Act for any over-the-counter sale, transfer, furnishing, or receipt of a drug containing pseudoephedrine or norpseudoephedrine is subject to compliance with the additional restrictions on the sale of over-the-counter pseudoephedrine products imposed by Act 193, Session Laws of Hawaii 2005;
- (3) Reduce the amount of pseudoephedrine products that a pharmacy or retailer may dispense, sell, or distribute without a prescription, to 3.6 grams per day without regard to the number of transactions, and no more than nine grams within 30 days;
- (4) Require pseudoephedrine products to be sold from an area where the product is delivered directly into the custody of the purchaser;
- (5) Require purchasers of pseudoephedrine products to provide identification; and
- (6) Require pseudoephedrine purchasers to sign a written log or receipt of the transaction.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the dispensable grams of pseudoephedrine products is 3.6 grams per person each day; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2410, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2410, H.D. 1, S.D. 2, C.D. 1.

Representatives Luke, Caldwell and Thielen.
Managers on the part of the House.
(Representative Thielen was excused.)

Senators Baker, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 84-06 on H.B. No. 1995

The purpose of this bill is to expand the crimes of endangering the welfare of a minor in the first degree and second degree to include the illegal use of a controlled substance in the presence of a minor.

Your Committee on Conference has amended this bill by:

- (1) Expanding the crimes of endangering the welfare of a minor in the first degree and second degree to include causing or permitting a minor to ingest methamphetamine, rather than illegally using a controlled substance in the presence of a minor; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1995, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1995, H.D. 1, S.D. 2, C.D. 1.

Representatives Luke, Sonson and Thielen.
Managers on the part of the House.
(Representative Sonson was excused.)

Senators Chun Oakland, Hanabusa and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 85-06 on H.B. No. 2146

The purpose of this bill is to support and encourage diversified agriculture by permitting the leasing of a portion of an agricultural parcel for agricultural uses and activities without being subject to any county subdivision standards. Specifically, this measure provides that a subdivided agricultural lot is:

- (1) Exempt from all county subdivision standards, provided:
 - (A) It is located within state agricultural districts;
 - (B) There are no temporary or permanent dwellings constructed on the lot; and
 - (C) The principal use for the land is agricultural;
- (2) Considered a legal lot of record;
- (3) Required to be leased for a minimum of ten years; and
- (4) Automatically reconsolidated to the original lot of record upon the expiration or termination of the lease.

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

- (1) Removing the provision automatically reconsolidating the agricultural subdivision to the original lot of record upon expiration or termination of the lease;
- (2) Changing the minimum time period for agricultural subdivision lease lots from ten or more years to the greater of:
 - (A) The minimum real property tax agricultural dedication period of the county in which the lot is located; or
 - (B) Five years;
- (3) Clarifying that a subdivided lot is required to be treated as, instead of considered as, legal lots of record for mortgage lending purposes;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2146, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2146, H.D. 1, S.D. 1, C.D. 1.

Representatives Kanoho, Chang, Luke, Yamashita and Halford.
Managers on the part of the House.

Senators Kokubun, Ige, English and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 86-06 on H.B. No. 237

The purpose of this bill is to address the application of joint and several liability in tort claims against governmental entities following the passage of Act 213, Session Laws of Hawaii 1994, codified as section 663-10.5, Hawaii Revised Statutes (HRS), and its construction by the Hawaii Supreme Court in Kienker v. Bauer, slip op. no. 25856, March 14, 2006.

The Kienker decision ruled that the abolition of joint and several liability by section 663-10.5, HRS, did not apply to highway design and maintenance claims. This decision was based upon the legislative intent to retain governmental joint and several liability for highway claims expressed in the legislative history of Act 213 in both House Standing Committee Report 654 and Senate Standing Committee Report 1350. Those reports expressed the intent that liability should be retained for highway maintenance and design because of government's unique responsibility over highways and the important public policy of providing safe highways for our citizens.

This measure, as received, provides for the abolition of governmental joint and several liability except where the State is covered by a primary insurance policy. Upon further reflection and discussion, your Committee on Conference acknowledges government's unique role in highway maintenance and design and the strong public policy of providing safe roads for Hawaii's families, as expressed in the past legislative history on this subject. Accordingly, your Committee on Conference has amended this bill by:

- (1) Deleting the exception relating to insurance coverage;
- (2) Adding language to retain an exception for highway maintenance and design; and
- (3) Changing the effective date to upon approval with retrospective application to the extent permitted by law.

As amended, this bill abolishes governmental joint and several liability, except for all damages in highway cases where government has prior notice or negligence of 25 percent or more, consistent with the Kienker decision.

Your Committee on Conference believes this amended measure correctly reflects the original intent of Act 213 prior to the Kienker decision. To avoid any confusion as to the application of section 663-10.5, HRS, following Kienker, this measure is given retroactive application to the extent permitted by law so as to implement its intent without violating accrued or substantive rights.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 237, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 237, H.D. 3, S.D. 1, C.D. 1.

Representatives Herkes, Luke, Souki and Marumoto.
Managers on the part of the House.
(Representative Souki was excused.)

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 87-06 on H.B. No. 2805

The purpose of this bill is to provide additional time for the 2050 Sustainability Task Force to complete the Hawaii 2050 Sustainability Plan. Specifically, this bill extends:

- (1) The deadline for the Auditor to submit the Hawaii 2050 Sustainability Plan by an additional year to December 2007; and
- (2) The authority of the Hawaii 2050 Task Force to June 30, 2008.

Your Committee on Conference has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2805, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2805, S.D. 1, C.D. 1.

Representatives Karamatsu, Yamane and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Kokubun, Inouye, Taniguchi, Hooser and Whalen.
Managers on the part of the Senate.
(Senators Hooser and Whalen were excused.)

Conf. Com. Rep. 88-06 on H.B. No. 2708

The purpose of this bill is to promote traffic safety and protect the natural beauty of Hawaii by prohibiting individuals and organizations from operating or parking motor vehicles that display advertisements to the public, for consideration or other economic benefit.

This measure is aimed at vehicles or trailers whose main purpose is the display of advertisements. It is not the intention of your Committee on Conference to prohibit vehicles that display the owner's or operator's advertisements or business notices, or vehicles for which the display of advertising is a secondary or incidental purpose of their operation.

Your Committee on Conference has amended this bill by reducing the maximum amount of penalties for:

- (1) A first time offense from \$2,000 to \$1,000;
- (2) A second time offense from \$5,000 to \$2,000; and
- (3) A third and subsequent offense from \$10,000 to \$5,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2708, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2708, H.D. 2, S.D. 2, C.D. 1.

Representatives Karamatsu, B. Oshiro and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Inouye, Ige, Hanabusa, Fukunaga and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 89-06 on H.B. No. 1968

The purpose of this bill is to provide equity between in-state and out-of-state wine manufactures by establishing a permit system for the direct shipment of wine to Hawaii's residents. Specifically, this bill allows wine manufacturers to directly ship wine to persons 21 years of age or older, provided that, among other things:

- (1) The wine manufacturer obtains a direct wine shipper permit (permit) from the liquor commission of the county to which wine will be shipped;
- (2) The wine is for the household's personal use and not for resale;
- (3) The wine manufacturer provides an annual report to the liquor commission in each county where the permit is held; and
- (4) The wine manufacturer pays all applicable general excise and gallonage taxes.

Your Committee on Conference has amended this bill by:

- (1) Limiting the amount of wine that can be directly shipped to Hawaii residents to six nine-liter cases per household annually;
- (2) Authorizing the liquor commissions in each county to adopt rules necessary to carry out the provisions of this bill;
- (3) Changing the effective date from July 1, 2050, to upon approval; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

The intent of this bill is not to promote excessive indulgence of alcohol. As such, your Committee on Conference would like to emphasize that this bill specifically provides that households can receive no more than six nine-liter cases of wine annually. In granting rule-making authority to county liquor commissions, your Committee on Conference intends for counties to implement systems designed to track and enforce the amounts of wine per year that households are receiving.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1968, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1968, H.D. 1, S.D. 1, C.D. 1.

Representatives Karamatsu, Luke, Souki and Ching.
Managers on the part of the House.

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 90-06 on H.B. No. 3225

The purpose of this bill is to fine-tune and improve the new, recodified condominium law enacted in Act 164, Session Laws of Hawaii (SLH) 2004, and Act 93, SLH 2005, by among other things:

- (1) Clarifying that the existing condominium law, Chapter 514A, Hawaii Revised Statutes (HRS), applies to existing condominiums created prior to July 1, 2006;

- (2) Providing that certain sections of the new law apply to existing condominiums, except to the extent necessary to preserve a developer's reserved rights and prevent unreasonable impairment of contracts;
- (3) Making it easier for existing condominiums to amend association documents to adopt and take advantage of the new law, by allowing a majority of owners to approve these amendments;
- (4) Specifying that amendments to the condominium declaration are not needed to:
 - (A) Change open or landscaped common elements to other uses, except as specified in the declaration; and
 - (B) Make minor changes to the common elements for the benefit of one owner that do not substantially impact the interests of other owners;
- (5) Exempting leases or other agreements related to installation of telecommunications equipment from requirements applicable to other common element leases;
- (6) Providing that in the absence of bylaws authorizing fines, fines for violation of the declaration, bylaws, or rules, may be authorized by board resolution requiring notice, an opportunity to be heard, and an appeal process;
- (7) Providing that the financing of insurance premiums by the association that spreads costs over the budget year is not a loan that requires a vote of the owners;
- (8) Changing the procedures allowing associations with 100 or more units to reduce the number of directors on the board;
- (9) Removing the prohibition against an owner acting both as a director and an employee of the association's managing agent, and prohibiting an owner who is a director and managing agent employee from participating in board discussions of the association management contract;
- (10) Specifying that the association, in exercising its right of access to a unit to maintain and repair the common elements, is not responsible for the costs of removing or replacing finished surfaces or barriers that impede the association from performing its repairs and maintenance;
- (11) Allowing the board, with the vote or consent of a majority of owners, to require all owners to obtain reasonable types and levels of insurance for risks not covered by the association's insurance;
- (12) Allowing the association to demand and receive delinquent common expenses from the rental agent renting the delinquent unit;
- (13) Clarifying who constitutes a "lessee" for purposes of assessing the costs of the association's lease rent renegotiations;
- (14) Amending the condominium and cooperative housing corporation lease-to-fee conversion law for consistency with Chapter 514B, HRS; and
- (15) Making technical, nonsubstantive amendments to Chapter 514B, HRS, for clarity, consistency, and style.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments to ensure that Chapter 514A, HRS is not repealed, and for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3225, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3225, H.D. 1, S.D. 1, C.D. 1.

Representatives Herkes, Schatz and Marumoto.
Managers on the part of the House.
(Representative Schatz was excused.)

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 91-06 on H.B. No. 1871

The purpose of this bill is to allow identity theft victims to place a security freeze on their credit reports to prohibit a consumer reporting agency from releasing the victim's information to unauthorized parties without the victim's express authorization.

Your Committee on Conference has amended this bill by, among other things:

- (1) Providing that the provisions regarding security freezes on a consumer's credit report do not apply to the use of the report by a person, for the sole purpose of providing the consumer a copy of the consumer's credit report upon the consumer's request;
- (2) Replacing the penalty provisions for violations with provisions that:
 - (A) Allow up to \$2,500 in penalties for each violation of the new chapter and authorize the Attorney General or the Executive Director of the Office of Consumer Protection to bring actions to enforce the chapter;
 - (B) Allow injured parties to bring actions against violators for actual damages caused by the violation;
 - (C) Allow reasonable attorneys' fees for prevailing parties in actions for damages; and
 - (D) Provide that the penalties are cumulative to the remedies or penalties available under all other laws of the State;
 and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1871, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1871, H.D. 1, S.D. 2, C.D. 1.

Representatives Luke, Herkes and Moses.
Managers on the part of the House.

Senators Menor, Fukunaga, Hanabusa, Baker and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 92-06 on H.B. No. 3016

The purpose of this bill is to help reduce the State's backlog of outstanding warrants by:

- (1) Requiring due diligence in serving any outstanding traffic warrants on a defendant;
- (2) Requiring the Hawaii Paroling Authority, in the event of suspension or revocation of parole, to inform the court of all outstanding traffic warrants issued against the parolee; and
- (3) Requiring the Judicial Council to conduct a comprehensive review of the backlog of arrest warrants and report to the Legislature prior to the Regular Session of 2007.

Your Committee on Conference has amended this bill by:

- (1) Rephrasing the new statutory provisions in more general terms to reflect the fact that the service of warrants is a collaborative effort; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3016, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3016, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, Caldwell and Stevens.
Managers on the part of the House.
(Representative Stevens was excused.)

Senators Hanabusa, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Chun Oakland was excused.)

Conf. Com. Rep. 93-06 on H.B. No. 2299

The purpose of this bill is to specify the exact procedure that must be used by the police before entering a home to arrest a person suspected of a crime.

Your Committee on Conference has amended this bill by:

- (1) Specifying procedures to be used by an officer or person making an arrest in two situations as follows:
 - (A) In the case of an arrest with warrant, the officer or person shall first knock on the door and state in a loud voice "Police!" or the equivalent as "Sheriff!" and "We have a warrant! Open the door!"; or

- (B) In the case of a lawful arrest without warrant, the officer or person shall first knock on the door and state in a loud voice "Police!" or the equivalent as "Sheriff!" and "You are under arrest! Open the door!";
- (2) Clarifying that the procedures are to be used absent exigent circumstances; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2299, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2299, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, Caldwell and Thielen.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 94-06 on H.B. No. 3256

The purpose of this bill is to make substantive and technical amendments to Penal Code chapters 704, 706, 707, 708, 709, 710, 711, and 712.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision creating the offense of Bribery in the Second Degree;
- (2) Eliminating references to "Bribery in the First Degree";
- (3) Inserting a sunset date of June 30, 2007, for the amendments made to sections 706-661 and 706-662, HRS, relating to extended terms of imprisonment for persons convicted of a felony; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3256, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3256, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 95-06 on H.B. No. 1021

The purpose of this measure is to authorize the chairperson of the Public Utilities Commission to appoint utility analysts and legal assistants, and require that the appointed utility analysts and legal assistants be exempt from chapter 76, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Authorizing the chairperson of the Public Utilities Commission to appoint utility analysts and legal assistants, as well as, research assistants, economists, legal secretaries, and enforcement officers with or without regard to chapter 76;
- (2) Requiring the Public Utilities Commission and the Division of Consumer Advocacy to conduct an in-depth review of their respective operations to develop a plan to restructure and supplement their resources and to submit a report, together with any necessary legislation, specifying what additional resources are necessary to function more effectively and efficiently; and
- (3) Making technical nonsubstantive changes for clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1021, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1021, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Herkes, Evans and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Menor, Taniguchi, Baker and Hogue.
Managers on the part of the Senate.
(Senator Baker was excused.)

Conf. Com. Rep. 96-06 on H.B. No. 2211

The purpose of this bill is to assist injured workers by deleting statutory language that unnecessarily prolongs the workers' compensation process.

Your Committee on Conference finds that the implementation of Act 11, Special Session Laws of Hawaii 2005 (Act 11), had the unintended consequence of prolonging the workers' compensation claims and treatment process. Act 11 defined the terms "day" or "days" to mean working days rather than calendar days. This switch from calendar days to business days had the unintended consequence of delaying payment of claims or decisions on contested claims, often resulting in an injured worker waiting longer to receive treatment.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date from July 1, 2050, to July 1, 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2211, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2211, H.D. 1, S.D. 1, C.D. 1.

Representatives Caldwell, Herkes, Nakasone and Stevens.
Managers on the part of the House.

Senators Kanno, Hanabusa, Taniguchi and Slom.
Managers on the part of the Senate.
(Senator Hanabusa was excused.)

Conf. Com. Rep. 97-06 on H.B. No. 2691

The purpose of this bill is to provide additional means of recourse against employers who fail to pay their employees prevailing wages by allowing a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. 175a) to institute actions for injunctive and other relief against such employers.

Your Committee on Conference finds that under current law, employees may take civil action against employers who do not pay prevailing wages. However, lack of information and resources often prevent employees from seeking redress. Allowing labor-management committees, who possess experience and expertise in the construction industry, to also pursue legal action against employers will help improve enforcement of the existing law.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2091, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2691, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2691, S.D. 2, C.D. 1.

Representatives Caldwell, Karamatsu, Wakai and Halford.
Managers on the part of the House.

Senators Kanno, Hanabusa and Hogue.
Managers on the part of the Senate.
(Senator Hogue was excused.)

Conf. Com. Rep. 98-06 on H.B. No. 2412

The purpose of this bill is to conform the Hawaii income tax law to the Internal Revenue Code.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date from July 1, 2050, to upon approval;
- (2) Making the bill applicable to taxable years beginning after December 31, 2005, instead of December 31, 2050;
- (3) Providing that section 235-2.45(h), Hawaii Revised Statutes, applies to contributions made between August 28, 2005, to December 31, 2005; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2412, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2412, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Kawakami, Nakasone and Moses.
Managers on the part of the House.

Senators Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 99-06 on H.B. No. 2678

The purpose of this bill is to assist public employees with incurable and debilitating diseases by:

- (1) Extending the current 90-day retirement deadline to 150 days after notification of the Employees' Retirement System Board of Trustees' (ERS Board of Trustees) approval of the member's ordinary disability application; and
- (2) Allowing a member to file up to three ordinary disability applications and providing that, if the member's third ordinary disability application is approved by the ERS Board of Trustees, the member would be required to retire no later than 150 days after the mailing of the notice of the ERS Board of Trustees' approval.

Currently, ERS administrative rules require a member to retire within 90 days after the member is notified of a favorable decision on the member's ordinary disability retirement application even though the employee may still be productive. Your Committee on Conference finds that many employees diagnosed with debilitating or incurable diseases often remain productive members of society who are willing to provide invaluable service to the community. These individuals should be allowed to continue to work until they are physically unable to do so.

Your Committee on Conference has amended this bill by:

- (1) Deleting language that extended the current 90-day retirement deadline to 150 days after notification of the ERS Board of Trustees' approval of the member's ordinary disability application;
- (2) Deleting language allowing a member to file up to three ordinary disability applications and providing that, if the member's third ordinary disability application is approved by the ERS Board of Trustees, the member would be required to retire no later than 150 days after the mailing of the notice of the ERS Board of Trustees' approval.
- (3) Specifying that a member whose application for an ordinary disability retirement allowance is approved by the ERS Board of Trustees while the member is still in service may terminate service and retire at any time following the approval;
- (4) Inserting a purpose section;
- (5) Changing the effective date from July 1, 2050, to July 1, 2006; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2678, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2678, H.D. 2, S.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Meyer.
Managers on the part of the House.

Senators Kanno, Taniguchi and Ihara.
Managers on the part of the Senate.

Conf. Com. Rep. 100-06 on H.B. No. 2950

The purpose of this bill is to clarify that a Voluntary Employees' Beneficiary Association (VEBA) Trust may be established by an employee organization to provide benefits for state and county employees that the employee organization represents, by amending the purpose of the VEBA Trust pilot program under Act 245, Session Laws of Hawaii 2005 (Act 245).

Your Committee on Conference finds that Act 245 established a VEBA Trust pilot program. However, the purpose and findings section of Act 245 makes an ambiguous reference to the provision of health benefits to "a particular bargaining unit." This ambiguity has caused confusion among various bargaining units in the state as to whether they are eligible to participate in this pilot program. This measure clarifies that a VEBA Trust may be established by an employee organization to provide benefits for state and county employees that the employee organization represents.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2050, to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2950, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2950, S.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Meyer.
Managers on the part of the House.

Senators Kanno, Taniguchi and Espero.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 101-06 on S.B. No. 2948

The purpose of this measure is to establish the amount of interim revenue to be transferred to the Office of Hawaiian Affairs from the public land trust, each fiscal year beginning with fiscal year 2005-2006, at \$15,100,000.

In addition, this measure also appropriates \$17,500,000 as the amount of revenues owed to the Office of Hawaiian Affairs for the underpayment of the Office of Hawaiian Affairs' pro rata share of the public land trust revenues between July 1, 2001 and June 30, 2005.

Section 2 of this measure specifies that beginning in fiscal year 2005-2006, and until further legislative action is taken, the income and proceeds from the pro rata portion of the public land trust for expenditure by OHA pursuant to Article XII, Section 6 of the Hawaii Constitution shall be \$15,100,000 per fiscal year. This amount shall be transferred from various state departments and agencies to OHA in four equal quarterly installments via voucher payments. According to the Attorney General,

The annual \$15.1 million share . . . for annual transfer to OHA is based on the sums actually transferred during these four fiscal years, the sums of analogous receipts that could have been transferred from the health and housing corporations and the University, the upward trend of these receipts over the last four years, and negotiation and fairness considerations.

The \$15,100,000 also includes certain ancillary receipts from the state airports.

Also, according to the Attorney General, the approximate amount of funding actually transferred to OHA pursuant to Executive Order No. 03-03 and Act 34, Session Laws of Hawaii 2003, was as follows:

	FYs	<u>2002-2003</u>	<u>2004</u>	<u>2005</u>
DAGS State Parking Revolving Fund		\$ 43,676	\$22,896	\$ 23,730
DOA Agricultural Park Special Fund General Fund		\$110,038	\$66,659	\$106,558
DBED&T Foreign Trade Zone Special Fund				
HCDA Revolving Fund				
NELHA Special Fund		\$474,684	\$291,906	\$352,531
DOE Use of School Facilities Special Fund		\$ 81,493	\$ 48,400	\$ 45,098
DLNR Boating Special Fund				
Special Land & Development Fund				
State Parks Special Fund				
Beach Restoration Special Fund				
General Fund		\$3,054,738	\$2,827,717	\$3,404,405
DOT Harbors Special Fund		\$11,737,324	\$6,480,000	\$6,866,384
Act 34, SLH 2002		<u>\$ 2,041,852</u>		
General Fund				
Annual Totals		\$17,543,805	\$9,737,578	\$10,789,706

The approximate amounts of "analogous" ceded land receipts were as follows:

	FYs	<u>2002-2003</u>	<u>2004</u>	<u>2005</u>
Hawaii Health Systems Corporation		\$ 665,687	\$471,650	Unverified
Hilo Medical, Kula Hospital,				
Samuel Mahelona				
Non-Patient Food Sales				
Catering Revenue				
Parking Revenue				
Data processing Services Revenue				

Medical Records Abstract Sales			
Non-Patient Room Rentals			
Telephone & Telegraph Revenue			
Restricted and Non-Restricted Contributions			
Employee Housing Rent Revenue			
Clinical Rent Revenue			
Other Space Rental			
University of Hawaii	\$1,293,852	\$1,182,121	Unverified
Manoa and Hilo Campuses			
Parking			
Faculty Housing			
Non-Student Housing Rentals, including food and vending machine, telephone commissions/collections			
Hilo Bookstore – logo products, sundries but not books or school supplies			
Other Revenue			
HCDC Housing	\$80,626	\$40,091	\$32,625
Public School Faculty Housing Rentals			
Public Rental Housing Laundromat/Vending Machine Receipts			
Public Rental Housing Antennae Rental Receipts			
Annual Totals	<u>\$2,040,165</u>	<u>\$1,693,862</u>	<u>Unverified</u>

According to the Attorney General, the approximate amounts of ancillary receipts from the state airports were as follows:

	FYs	2002-2003	2004	2005
HIA Terminal Rental Revenue		\$2,598,460	\$1,290,018	\$1,068,268
HIA Terminal Concession Revenue		\$ 857,152	\$ 503,754	\$ 525,671
Non-HIA Aeronautical Revenue		\$1,158,094	\$ 671,564	\$ 712,015
Non-HIA Concession/Other Terminal Revenue		<u>\$18,241,417</u>	<u>\$9,655,042</u>	<u>\$10,159,033</u>
Annual Total Receipts		\$22,855,123	\$12,120,378	\$12,464,987
20% Share		\$4,571,025	\$2,424,076	\$2,492,997

Section 4 of this measure appropriates the sum of \$17,500,000 to OHA in fiscal year 2005-2006. According to the Attorney General, this one-time appropriation raises the amount of ceded land receipts actually transferred to OHA during the fiscal years 2002 through 2005. The one-time appropriation of general funds is roughly equivalent to analogous rent-type receipts for the use of ceded lands collected by the Hawaii Health Systems Corporation, the Housing and Community Development Corporation of Hawaii, and the University of Hawaii, etc. during the relevant period which were not paid for legal reasons, interest, and negotiation and fairness considerations. In other words, this appropriation represents a "catch-up" of amounts that were underpaid during the specified time period.

Section 5 requires the DLNR to provide an annual accounting of revenues derived from the public land trust. At the present time, no single state department or agency is responsible for compiling such data. A single accounting will provide the Legislature, OHA, the general public, and even the state administration with a clearer financial picture of the public land trust.

Your Committee on Conferences notes that the agreement embodied in this measure does not extinguish past and future claims that the Office of Hawaiian Affairs may have regarding revenue payments from ceded lands. The agreed \$17,500,000 should be considered a credit for payment owed the Office of Hawaiian Affairs for the period of July 1, 2001 through June 30, 2005. The payment of \$17,500,000 should be construed as coming from ceded land revenues.

Your Committee on Conference has amended this measure to insert H.B. 2204, S.D. 1, which requires that the Department of Land and Natural Resources provide an accounting of revenues from the public land trust and appropriates funds to the Department to conduct the accounting. The Senate draft of H.B. 2204 also provides that the Office of Hawaiian Affairs is to provide additional funds for the accounting. Your Committee on Conference has amended this measure to:

- (1) Change the date of the appropriation to the Department from fiscal year 2005-2006 to fiscal year 2006-2007;
- (2) Include language to further clarify that the Office of Hawaiian Affairs' funds are to be expended only after those general revenue funds appropriated to the Department are expended; and
- (3) Change the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2948, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2948, S.D. 1, H.D. 2, C.D. 1.

Representatives Saiki, Takamine, Carroll, Chong and Finnegan.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 102-06 on S.B. No. 3119

The purpose of this measure is to allow the Hawaiian Homes Commission to deposit moneys in depositories other than the state treasury.

This measure provides the Hawaiian Homes Commission with the necessary flexibility and authority to manage, invest, and reinvest funds to earn a higher return in the Hawaiian home lands trust fund. This measure is consistent with the intent of Act 302, Session Laws of Hawaii 2001, and is also a step in moving towards greater autonomy for the Hawaiian Homes Commission.

Your Committee on Conference has amended this measure to reinsert language specifying that the moneys from the trust that are deposited into depositories other than the state treasury are exempt from the requirements of chapters 36 and 38. Your Committee on Conference also amended this measure to make it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3119, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3119, S.D. 2, H.D. 1, C.D. 1.

Representatives Saiki, Kahikina, Carroll and Finnegan.
Managers on the part of the House.

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 103-06 on S.B. No. 895

The purpose of this measure is to preserve and sustain the limu supply by:

- (1) Establishing a limu management area for the shoreline in Ewa Beach, Oahu; and
- (2) Creating an advisory group to assist the Department of Land and Natural Resources in determining best practices for conservation and restoration of the limu management area.

Your Committee on Conference finds that limu grown in its natural habitat serves as the foundation for healthy Hawaiian reef systems, and in recent years, the Ewa Beach community has seen its natural supply of limu rapidly diminishing. This measure will allow a portion of the Ewa Beach coastline to preserve and sustain its limu supply.

Your Conference on Conference has amended this measure by:

- (1) Providing that limu picking will not be allowed starting on the effective date of this measure and no sooner than January 1, 2007;
- (2) Delaying the start of limu picking from July 1, 2007 to no sooner than January 1, 2010;
- (3) Providing that the hand-picking of limu in the limu management area will be allowed during the months of July, November, and December rather than December, January, and June;
- (4) Deleting the provision that establishes an advisory group to assist the department of land and natural resources;
- (5) Requiring the Department of Land and Natural Resources to adopt rules necessary for the purposes of the new provisions;
- (6) Provided an exception to the new provisions for any person exercising native Hawaiian gathering rights and traditional cultural practices as authorized by law or as permitted by the Department of Land and Natural Resources pursuant to Article XII, Section 7 of the Hawaii State Constitution;
- (7) Making it effective on December 31, 2006; and
- (8) Making technical, nonsubstantive changes for consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 895, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 895, S.D. 1, H.D. 2, C.D. 1.

Representatives Kanoho, Luke and Pine.
Managers on the part of the House.

Senators Kokubun, English and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 104-06 on S.B. No. 2901

Your Committees finds that this measure is necessary to authorize the counties of Hawaii, Maui, and Kauai to assess impact fees as a condition of obtaining county building permits, in order to pay for state highway improvements. County-specific transportation plans will cost several billion dollars more than the State can actually afford. Impact fees provide counties with an optional means of financing infrastructure for state projects which otherwise might be indefinitely postponed.

Your Committee has amended this measure by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2901, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2901, H.D. 1, C.D. 1.

Representatives Souki, Lee and Moses.
Managers on the part of the House.

Senators Inouye, Ige, Taniguchi, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 105-06 on S.B. No. 2929

Your Committee on Conference finds that the requirements for selecting members to the Land Use Commission ensure that there is geographic diversity among Commission members. This process does not preclude the nomination of any individual with unique qualifications, such as substantial experience or expertise in traditional Hawaiian land usage or knowledge of cultural land practices. However, there are no individuals with these specific qualifications currently serving on the Commission, and no requirement that there be anyone with such qualifications.

Currently, this measure contains specific instances that show how a person may have substantial experience or expertise in traditional Hawaiian land usage and knowledge of cultural land practices. However, after deliberating on this matter, your Committee on Conference finds that, while a person's status as a:

- (1) Native Hawaiian kupuna or elder;
- (2) Native Hawaiian kupuna or keeper of sacred principles;
- (3) Traditional expert;
- (4) Practitioner of native Hawaiian land uses; or
- (5) Scholar on traditional Hawaiian language and cultural land practices,

is an excellent method of qualifying experience or expertise, your Committee on Conference further finds that in light of recent court decisions regarding ethnic preferences, it is more appropriate for the qualifications to be ethnically neutral.

Your Committee on Conference notes that the ethnically neutral language used in the Senate's version to add the requirement for one member of the Commission to have substantial experience or expertise in traditional Hawaiian land usage and knowledge of cultural land practices is almost identical to the requirements for the Commission on Water Resource Management. Your Committee on Conference further notes that this language was used purposefully because it is ethnically neutral and to date, there has been no indication that the Commission on Water Resource Management has had any difficulty identifying or qualifying new members.

Accordingly, your Committee on Conference has amended this measure by deleting the provision that qualifies a person based on the person's status while retaining the requirement that one member have substantial experience or expertise in this area.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2929, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2929, H.D. 1, C.D. 1.

Representatives Kanoho, Morita and Meyer.
Managers on the part of the House.
(Representative Morita was excused.)

Senators Kokubun, Hanabusa and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 106-06 on S.B. No. 2065

The purpose of this measure is to clarify that:

- (1) The responsibility for unpaid parking fines rests with the registered owner of the motor vehicle incurring the parking citation at the time of the violation;
- (2) Unpaid parking fines do not prevent the transfer of the motor vehicle's registration and title; and
- (3) Certain restrictions on the operation of mopeds apply to two-wheeled mopeds.

Your Committee finds that current law attaches parking infractions to the vehicle rather than the vehicle's owner, which prevents the registration and transfer of ownership to a new owner until the parking fines are paid. The intent of this measure is to make parking infraction attach to the prior owner of the vehicle who incurred the infraction, thereby allowing the new owner to register and transfer the ownership of the vehicle.

Your Committee has amended this measure by:

- (1) Deleting provisos making unpaid parking fines rest with the registered owner of the motor vehicle incurring the parking citation at the time of the violation, which is superfluous;
- (2) Deleting language relating to moped operation, which does not comport with the title of the measure; and
- (3) Changing the effective date to upon approval and to retroactively apply to vehicles that have been prevented from transfer by reason of the existing law.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2065, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2065, S.D. 2, H.D. 1, C.D. 1.

Representatives Souki, Luke and Stevens.
Managers on the part of the House.

Senators Inouye, Ige, Menor and Slom.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 107-06 on S.B. No. 2283

The purpose of this bill is to update and conform current statutes governing insurer examinations and commercial general liability extended reporting requirements with the changes and revisions in the most current National Association of Insurance Commissioners Model Acts and Model Regulations.

Your Committee has amended this bill by:

- (1) Deleting the provisions requiring insurers to annually file financial audits with the Insurance Commissioner;
- (2) Deleting the provisions relating to accident and health or sickness insurance policies and disclaimers of liability for losses caused because the insured is under the influence of liquor or drugs;
- (3) Deleting the provisions amending the Insurance Code rate regulation article relating to workers' compensation;
- (4) Making technical, nonsubstantive amendments for clarity and style; and
- (5) Changing the effective date from "July 1, 2050" to "July 1, 2006."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2283, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2283, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, Schatz and Marumoto.
Managers on the part of the House.

Senators Menor, Espero and Hogue.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 108-06 on S.B. No. 696

The purpose of this measure is to provide a single fee for criminal history record checks by name, fingerprints, and other identifying information conducted by the Hawaii Criminal Justice Data Center and other state and county agencies. In addition, this measure:

- (1) Updates the fee schedule for criminal history record check services to include criminal history record checks done via an interactive computer-based system; and
- (2) Extends the fee exemption to include nonprofit charitable organizations for criminal history record checks conducted on adult volunteers having direct contact with the elderly and disabled.

The fees charged for criminal history record checks have remained unchanged since 1998. Making the same fee applicable to criminal history record checks whether conducted by name inquiry or fingerprint based may encourage an increase in fingerprint based checks. In addition, expanding the exemption to criminal history record checks fees to include volunteers of nonprofit charitable organizations who have direct contact with seniors or disabled individuals will provide financial relief to these organizations and will encourage more checks on volunteers to protect vulnerable populations.

Your Committee on Conference has amended this measure to change the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 696, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 696, S.D. 1, H.D. 2, C.D. 1.

Representatives Luke, Nishimoto and Thielen.
Managers on the part of the House.

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 109-06 on S.B. No. 2922

The purpose of this measure is to clarify that a noncandidate committee shall be subject to the same limitations on contributions to candidates as any person or other entity. This measure also provides that a "person" other than an individual can make a one-time unlimited transfer in a two-year election period of funds from its own treasury to fund the person's own noncandidate committee. In addition, this measure establishes an expenditure ceiling for prosecuting attorney candidates who participate in the public funded campaign program.

Act 203, Session Laws of Hawaii 2005 (Act 203), made various changes to Hawaii's campaign spending laws, including limiting the amount of campaign contributions made by a corporation and establishing a public funding program for the Office of the Prosecuting Attorney. The Office of Campaign Spending has interpreted Act 203 to limit a corporation's contributions or expenditures to a total of \$1,000 to all candidates, candidate committees, noncandidate committees, and political parties in a single election period. This measure is necessary to clarify the legislative intent of Act 203 to reflect parity of treatment between a corporation and an individual under the campaign spending laws.

Your Committee on Conference has amended this measure to:

- (1) Reinstate section 2 of the senate draft of S.B. No. 2922, which:
 - (a) Required that persons other than individuals, including corporations, partnerships, associations, or organizations to make contributions to candidates, candidate committees, noncandidate committees other than its own and parties through a noncandidate committee only; and
 - (b) Allowed persons other than an individual to transfer an unlimited amount of money from its own funds to its respective noncandidate committee;
- (2) Include limited liability corporations to section 2;
- (3) Add language to section 2 to distinguish between individuals using their own funds and all others, and providing that persons other than individuals using their own funds must register pursuant to section 11-194;
- (4) Insert sections 1 through 4, 6 through 8, section 10, and sections 12 through 16 of H.B. 3101 SD1 with technical amendments for clarity and to track federal guidelines;
- (5) Delete the reference to the one-time transfer that was added to section 11-204(b), Hawaii Revised Statutes;
- (6) Add language to make partnerships' contributions attributable only to a partner's pro rata interest in the partnership in order to conform to the federal guidelines;
- (7) Add language requiring a limited liability company to conform to its Internal Revenue Service status in order to conform to the federal guidelines;

- (8) Add a new section to provide for a statute of limitation in section 11-228, Hawaii Revised Statutes;
- (9) Change the effective date to upon approval, provided that Section 2 be effective retroactively to January 1, 2006; and
- (10) Make technical changes for style, clarity, and conformance.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2922, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, B. Oshiro and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 110-06 on S.B. No. 2158

The purpose of this measure is to establish a task force to review the possible redaction of all or a portion of each social security number contained in family court records, judgments affecting title to land, and any other documents maintained by the judiciary and available for public inspection.

In 2005, the Hawaii anti-phishing task force was established for the purpose of developing state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. One of the areas that the task force found particularly vulnerable to an unauthorized disclosure and use of an individual's social security number was in family court records and judgments affecting title to land because these records are available for public inspection. Your Committee on Conference finds that the problem of unauthorized access and use of an individual's social security number in records that are available for public inspection extends to all government agencies of the State and counties.

Your Committee on Conference has amended this measure by deleting the language in S.B. No. 2158 S.D. 2, H.D. 1 concerning the establishment of a task force and replacing it with language that adds a new section to chapter 92, Hawaii Revised Statutes. The new provision will allow government agencies of the State and its political subdivisions to continue to collect, create, or maintain records or documents containing an individual's social security number in the course of carrying out the agency's legitimate government functions. However, beginning July 1, 2007, these agencies may not display the social security in any public record or document that is available for public inspection. Furthermore, your Committee on Conference has amended this measure by changing the effective date from July 1, 2050 to July 1, 2006.

Your Committee on Conference recognizes that the redaction of social security numbers can be a burdensome task for agencies to implement especially with regards to records and documents that are already on file or archived. Thus, your Committee on Conference encourages that the identity task force established in H.B. No. 3244, in its final amended form, establish a timetable for the removal of personal identifying information from public records by reviewing the current practices associated with the public inspection of records, the current volume of these records, and its likely future volume increase or decrease.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2158, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2158, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Luke and Marumoto.
Managers on the part of the House.

Senators Menor, Fukunaga, Hanabusa, Baker and Hogue.
Managers on the part of the Senate.
(Senators Baker and Hogue were excused.)

Conf. Com. Rep. 111-06 on S.B. No. 2159

The purpose of this measure is to increase protections for personal information by making it a class C felony to steal three or more items of mail belonging to three or more unrelated persons in the same or separate incident as part of a common scheme or plan.

Hawaii law enforcement has found it difficult to curb the rise in identity theft-related crimes, as identity thieves in possession of personal information who have not yet caused a monetary loss to the victim cannot be prosecuted for crimes other than petty misdemeanor thefts. Your Committee on Conference finds that increasing the penalties for identity theft will help deter identity theft crimes in Hawaii.

Your Committee on Conference has amended this measure by replacing its substance with the language from S.B. No. 2159, S.D. 2. The language from the S.D. 2 increases the protection of personal information by making it a class C felony to intentionally or knowingly possess confidential information of another without authorization, and by adding identity theft as an enumerated offense within the repeat offender statute.

Your Committee on Conference has further amended this measure by adopting language suggested by the Department of the Attorney General and amending the new section in chapter 708 by clarifying that the affirmative defense involves possession of confidential personal information, and not just confidential information. Furthermore, the effective date was changed from January 1, 2020, to take effect upon approval, and nonsubstantive, technical amendments were made for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2159, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2159, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Luke and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Menor, Fukunaga, Hanabusa, Baker and Hogue.
Managers on the part of the Senate.
(Senators Baker and Menor were excused.)

Conf. Com. Rep. 112-06 on S.B. No. 2193

The purpose of this bill is to increase planned community association member access to certain association documents.

Your Committee has amended this measure by:

- (1) Deleting the proposed new sections relating to: (a) Member's information requests and written notification of costs; (b) Annual audits of planned community associations' financial accounts; and (c) Authority for the Director of Commerce and Consumer Affairs to conduct a study, receive complaints, and conduct hearings on controversies between members and associations;
- (2) Providing that meetings of the board of directors of planned community associations, except executive session meetings, shall be open to all members for the purpose of members providing input on the matters being discussed;
- (3) Deleting the requirement that minutes of the meetings of the board of directors of planned community associations shall include the recorded vote of each board member on all motions;
- (4) Deleting the provisions prohibiting board members with a conflict of interest from voting;
- (5) Deleting the requirement that association documents be made available at a location within the planned community;
- (6) Requiring that the minutes of board meetings be transmitted within a "reasonable period of time" after receipt of a request for those minutes, rather than fifteen days;
- (7) Deleting the requirement that the board of directors notify a member in writing of the intent to charge fees and the amount of fees;
- (8) Making technical, nonsubstantive amendments for clarity and style; and
- (9) Changing the effective date from "July 1, 2050" to "July 1, 2006."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2193, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2193, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, Schatz and Marumoto.
Managers on the part of the House.
(Representative Schatz was excused.)

Senators Menor, Ige and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 113-06 on S.B. No. 2290

The purpose of this measure is to protect individuals from identity theft by requiring businesses and government agencies that maintain records containing personal information to notify Hawaii residents when the safety of the resident's personal information has been compromised by an unauthorized disclosure.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. Your Committee on Conference finds that this measure seeks to ameliorate the growing plague of identity theft by requiring businesses and government agencies that maintain records containing an individual's personal information to notify that individual of a security breach. Your Committee on Conference further finds that this measure provides guidance to businesses and government agencies as to the security breach notification requirements and will provide valuable tools that Hawaii residents can use to protect themselves against becoming a victim of identity theft.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "security breach" by clarifying that a security breach includes an incident where illegal use of personal information has occurred, or is reasonably likely to occur and creates a risk of harm to a person;
- (2) Amending § -2(e)(4) by changing the triggers for substitute notice by changing the cost of providing notice from \$250,000 to \$100,000 and changing the size of the class of affected individuals from five hundred thousand to two hundred thousand;
- (3) Amending the penalty provisions to:
 - (A) Allow the Attorney General or the Executive Director of the Office of Consumer Protection to bring a cause of action against any business that violates any provision of this measure, and to seek a penalty of not more than \$2,500 for each violation;
 - (B) Allow a private cause of action for a sum equal to the actual damages sustained by the injured party; and
 - (C) Allow the court to award reasonable attorneys' fees to the prevailing party, and clarify that both penalty actions cannot be brought against a government agency;
- (4) Requiring government agencies to submit a detailed written report to the Legislature within twenty days after discovering the security breach at the government agency, unless the report will impede a criminal investigation;
- (5) Changing the effective date from July 1, 2050 to January 1, 2007; and
- (6) Making nonsubstantive, technical amendments for style and format of the Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2290, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2290, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Luke and Marumoto.
Managers on the part of the House.

Senators Menor, Fukunaga, Hanabusa, Baker and Hogue.
Managers on the part of the Senate.
(Senators Baker and Menor were excused.)

Conf. Com. Rep. 114-06 on S.B. No. 2292

The purpose of this measure is to require businesses and government agencies that maintain or possess personal information of Hawaii residents to protect against unauthorized access to or use of the information after its disposal by properly destroying the personal information.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. Business records are a leading source of personal information for identity thieves. Your Committee on Conference finds that any business or government agency that maintains personal information as part of its business operations should establish security procedures to maintain the confidentiality and integrity of that information.

Your Committee on Conference has amended this measure by:

- (1) Correcting the citation for the Fair Credit Reporting Act under § -2(e)(3);
- (2) Amending the penalty provisions to:
 - (A) Allow the Attorney General or the Executive Director of the Office of Consumer Protection to bring a cause of action against any business that violates any provision of this measure, and to seek a penalty of not more than \$2,500 for each violation;
 - (B) Allow a private cause of action for a sum equal to the actual damages sustained by the injured party; and
 - (C) Allow the court to award reasonable attorneys' fees to the prevailing party, and clarify that both penalty actions cannot be brought against a government agency;
- (3) Requiring government agencies to submit a detailed written report to the Legislature within twenty days after discovering a material occurrence of an unauthorized access to personal information records in connection with or after its disposal by or on behalf of the government agency, unless the report will impede a criminal investigation;
- (4) Changing the effective date from July 1, 2050 to January 1, 2007; and
- (5) Making nonsubstantive, technical amendments for style and format of the Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2292, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2292, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Luke and Marumoto.
Managers on the part of the House.

Senators Menor, Fukunaga, Hanabusa, Baker and Whalen.
Managers on the part of the Senate.
(Senators Menor and Whalen were excused.)

Conf. Com. Rep. 115-06 on S.B. No. 2293

The purpose of this measure is to restrict businesses and government agencies, subject to limited exceptions, from disclosing an individual's social security number to the general public, and establishing penalties for noncompliance.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State. One of the tools most often used to steal an individual's identity is that individual's social security number. Your Committee on Conference finds that this measure will provide guidelines and procedures for businesses and government agencies that collect, possess, or use social security numbers in the course of its legitimate business or governmental purposes to prevent the unauthorized disclosure of these social security numbers.

Your Committee on Conference has amended this measure by:

- (1) Deleting the short title, "Social Security Number Protection Act of 2006" to conform with the style and format of the Hawaii Revised Statutes;
- (2) Deleting the provision that excludes government agencies from the definition for "business";
- (3) Deleting the definition for "state" and replacing it with a definition for "government agency," which also broadens its scope to include county agencies;
- (4) Deleting references to "state" (meaning agencies of the State) throughout this measure and replacing it with "government agency";
- (5) Amending § -2(a)(5) of the new chapter to include materials that are employer-to-employee communications, and when the printing of an individual's entire social security number is specifically requested by that individual;
- (6) Deleting the provision under § -2(a) that prohibits businesses and government agencies selling, leasing, loaning, trading, renting, or otherwise intentionally disclosing an individual's social security number to a third party if that third party lacks a legitimate purpose for obtaining the social security number;
- (7) Amending § -2(b)(1)(E) of the new chapter to include that the inclusion of a social security number in documents that are mailed is allowed if it is used to confirm the accuracy of the social security for the purpose of obtaining a credit report pursuant to 15 U.S.C. section 1681(b);
- (8) Correcting the citation for the Fair Credit Reporting Act under § -2(b)(3);
- (9) Amending § -2(b)(4) of the new chapter to clarify that § -2(a) shall not apply to a business or government agency that is acting pursuant to a court order, warrant, subpoena, or when otherwise required by law;
- (10) Amending § -2(b)(5) of the new chapter to clarify that § -2(a) shall not apply to a business or government agency that is providing an individual's social security number to a federal, state, or local government entity;
- (11) Amending § -2(b) of the new chapter to include that § -2(a) shall not apply to the collection, use, or release of a social security number in the course of administering an employment claim, benefit, or procedure;
- (12) Amending the penalty provisions to:
 - (A) Allow the Attorney General or the Executive Director of the Office of Consumer Protection to bring a cause of action against any business that violates any provision of this measure, and to seek a penalty of not more than \$2,500 for each violation;
 - (B) Allow a private cause of action for the sum equal to the actual damages sustained by the injured party; and
 - (C) Allow the court to award reasonable attorneys' fees to the prevailing party, and clarify that both penalty actions cannot be brought against a government agency;
- (13) Requiring government agencies to submit a written report to the Legislature within twenty days after discovering a material occurrence of a social security number disclosure that is prohibited by the new chapter, unless the report will impede a criminal investigation;
- (14) Changing the effective date from July 2006 to July 1, 2007; and
- (15) Making nonsubstantive, technical amendments for style and format of the Hawaii Revised Statutes.

Your Committee on Conference encourages further review on the issue of the sale, lease, loan, trade, rent, or other intentional disclosure of an individual's social security number to a third party that may lack a legitimate purpose for obtaining the individual's social security number. Therefore, your Committee on Conference recommends that the Identity Theft Task Force, established under H.B. 3244 in its final amended form, reviews and continues further discussion on this issue.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2293, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2293, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Luke and Marumoto.
Managers on the part of the House.

Senators Menor, Fukunaga, Baker and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 116-06 on S.B. No. 2887

The purpose of this measure is to have the Hawaii Teacher Standards Board establish alternative criteria to allow more individuals with trade or industry experience to teach vocational, technical, and career pathway education classes.

Your Committee on Conference has accepted House Draft 1 terminology that more completely describes "career pathway education" teachers and classes, and has amended this measure to change the effective date from July 1, 2020, to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2887, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2887, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Caldwell, Takamine, Yamashita and Finnegan.
Managers on the part of the House.
(Representative Takamine was excused.)

Senators Sakamoto, Kanno, Nishihara and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 117-06 on S.B. No. 2090

The purpose of this measure is to require the Hawaii Community Development Authority to:

- (1) Provide more community and public notice for its public hearings;
- (2) Render any decision for an amendment to the authority's community development rules, or for the acceptance of a developer's proposal to develop lands under the authority's control, at a separate hearing from the hearing at which the proposal was presented;
- (3) Allow the public an opportunity to testify at the decision-making hearings; and
- (4) Require the authority to notify the President of the Senate and Speaker of the House:
 - (a) Of any public hearing upon posting of the hearing notice; and
 - (b) With a report detailing the public's reaction at the public hearing, within one week after the hearing.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2090, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2090, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanohe, Magaoay, Yamane and Stevens.
Managers on the part of the House.

Senators Kokubun, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 118-06 on S.B. No. 3077

The purpose of this measure is to have the Department of Land and Natural Resources consult with the leaders of the Legislature in certain situations relating to conservation lands.

Specifically, this measure:

- (1) Requires the Department of Land and Natural Resources to consult with the Senate President and Speaker of the House of Representatives when:
 - (A) Preparing or revising a resource land acquisition plan; and
 - (B) Making recommendations to the Board of Land and Natural Resources (BLNR) on the acquisition of lands having value as a resource to the State; and
- (2) Requires the Board of Land and Natural Resources to consult with the Senate President and Speaker of the House of Representatives when:
 - (A) Selling, leasing, or otherwise conveying lands having value as a resource to the State; and
 - (B) Making grants to state agencies, counties, and nonprofit land conservation organizations for the purchase or acquisition of interests or rights in land having value as a resource to the State.

Your Committee on Conference has amended this measure by:

- (1) Establishing and assigning responsibilities to a Legacy Land Conservation Commission to assist the Department of Land and Natural Resources and the Board of Land and Natural Resources in administering the land conservation fund;
- (2) Establishing criteria for prioritizing land and easement acquisitions with moneys from the land conservation fund;
- (3) Providing a process for the development and periodic updating of a resource land acquisition plan;
- (4) Inserting the amount of \$1,100,000 for the purchase of agriculture easements to protect farm and ranch lands throughout the State; and
- (5) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3077, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3077, S.D. 2, H.D. 2, C.D. 1.

Representatives Kanoho, B. Oshiro, Evans and Thielen.
Managers on the part of the House.

Senators Kokubun, Taniguchi, English and Slom.
Managers on the part of the Senate.
(Senator English was excused.)

Conf. Com. Rep. 119-06 on S.B. No. 3000

The purpose of the measure is to implement recommendations of the Joint Legislative Housing and Homeless Task Force with regard to streamlining government approvals and permitting for affordable housing.

Your Committee finds that this measure will:

- (1) Require reviewing agencies to respond within forty-five days of receipt of an application, or the application will be deemed acceptable as submitted for review; and
- (2) Allow county councils and the Land Use Commission to approve projects with modifications as well as approve or deny.

Your Committee has amended the measure to:

- (1) Amend references to "corporation" to read "administration";
- (2) Change the effective date to July 1, 2006; and
- (3) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3000, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3000, S.D. 2, H.D. 1, C.D. 1.

Representatives Kahikina, Kanoho, Magaoay and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Menor, Ige, Espero and Hogue.

Managers on the part of the Senate.

Conf. Com. Rep. 120-06 on S.B. No. 2774

The purpose of the measure is to assist families who may lose their homes due to the closure of plantations such as Del Monte Fresh Produce by making plantation community subdivisions a permitted use in the state agricultural land use district.

Your Committee finds that the employees and former employees who live in plantation communities must be assured that their homes are secure and protected from any action that might declare them to be an impermissible or illegal land use, in the event that those units may require permits for renovation or reconstruction at some time in the future.

Your Committee further finds that the Department of Planning and Permitting of the City and County of Honolulu is concerned that as drafted, plantation dwellings could be demolished, rebuilt, and sold or rented to others, thus erasing all elements of plantation camp or rural living without providing the current residents a means to address the existing substandard infrastructure. However, your Committee finds that these concerns can be addressed in the county planning and permitting process, and by the residents' plan to establish cooperative ownership under a restrictive covenant that would restrict sale or even rental of the homes. Your Committee is fundamentally concerned that the residents will have major difficulties seeking funds to upgrade substandard plantation camp infrastructure if the use itself remains nonconforming under state law.

Your Committee has amended this measure to change the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference 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 Final Reading in the form attached hereto as S.B. No. 2774, S.D. 2, H.D. 1, C.D. 1.

Representatives Kahikina, Kanoho, Magaoay and Moses.
Managers on the part of the House.

Senators Menor, Kokubun, Espero and Hogue.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 121-06 on S.B. No. 3111

The purpose of this measure is to establish a commission to recognize and honor Congresswoman Patsy T. Mink and appropriate funds for the commission.

Congresswoman Patsy T. Mink made a tremendous impact on the people of Hawaii and the nation through her illustrious career as an outstanding public servant. She is known for championing the rights of immigrants, minorities, women, families, and children, and overcame gender and racial discrimination to become one of the most influential leaders of her generation. Your Committee on Conference finds it appropriate to establish a temporary commission to recognize and honor Congresswoman Mink.

Your Committee on Conference has amended this measure by:

- (1) Adopting the suggestion made by the Department of the Attorney General and deleting the provision that exempts from chapter 42F, Hawaii Revised Statutes any grant or subsidy made by the Legislature to finance the commission;
- (2) Adding the amount of \$10,000 to the blank appropriation; and
- (3) Changing the effective date from July 1, 2020 to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3111, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3111, S.D. 1, H.D. 1, C.D. 1.

Representatives Takamine, Lee and Ching.
Managers on the part of the House.
(Representative Lee was excused.)

Senators Fukunaga, Taniguchi, English and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 122-06 on S.B. No. 2727

The purpose of this bill is to allow the neurotrauma special fund to be used for direct services to neurotrauma survivors and require that moneys from the special fund be appropriated to obtain federal and private grant matching funds.

This bill will assist individuals with neurotraumatic injuries in paying for direct services. The neurotrauma special fund that was established in January 2003 for education, assistance with identifying services, and creation of a registry has collected nearly \$1,000,000. This fund now will be permitted to pay for direct services, and to obtain federal and private grant matching funds.

Your Committee on Conference amended this bill by:

- (1) Extending the time in which the Department of Human Services must apply for a traumatic brain injury waiver from 2006 to 2007;
- (2) Including cognitive therapy, personal assistance, respite care, and day health programs as services that assist individuals with neurotraumatic injuries; and
- (3) Changing the effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2727, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2727, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Nishimoto, Green and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Baker, Chun Oakland, Tsutsui, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senators Taniguchi and Whalen were excused.)

Conf. Com. Rep. 123-06 on S.B. No. 439

The purpose of this measure is to authorize the State Ethics Commission to impose an administrative fine not to exceed \$500 for a violation of the state ethics laws.

Despite being responsible for administering the State Ethics Code, the State Ethics Commission lacks the power and authority to issue a fine for violations. This measure will endow the State Ethics Commission with the authority to impose an administrative fine for violations of state ethics laws.

Your Committee on Conference has amended this measure to change the effective date from July 1, 2020 to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 439, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 439, H.D. 2, C.D. 1.

Representatives Luke, Magaoay and Marumoto.
Managers on the part of the House.

Senators Hanabusa, Ihara and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 124-06 on S.B. No. 467

The purpose of this measure is to provide gender responsive programming for female offenders and female adjudicated youths.

This measure requires a range of quality custody-based programs for female offenders and female adjudicated youths that establishes standards for programs to ensure the health, psychological, social, economic, and educational needs of female offenders.

Your Committee on Conference has amended this measure to:

- (1) Insert the S.D. 2 language regarding parity to female offenders and female adjudicated youths;
- (2) Insert the amount of \$175,000 to be appropriated for gender-responsive, community based programs for women;
- (3) Insert the amount of \$25,000 to be appropriated for gender-responsive, community based programs for female adjudicated youths;
- (4) Change the effective date to July 1, 2006; and
- (5) Make technical changes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 467, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 467, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Luke, Chong, Tanaka and Thielen.
Managers on the part of the House.
(Representative Luke was excused.)

Senators Hanabusa, Taniguchi, Chun Oakland, Kim and Slom.

Managers on the part of the Senate.
(Senator Kim was excused.)

Conf. Com. Rep. 125-06 on S.B. No. 1294

The purpose of this measure is to dedicate a portion of the funds derived from the public land trust for the repair and maintenance of the Royal Mausoleum at Mauna `Ala.

As Mauna `Ala is significant not only to the native Hawaiian population but to the entire State, it is the Legislature's intent that there be a permanent and continuing source of funding for the care and maintenance of Mauna `Ala. The sums appropriated in this measure shall be separate from the twenty per cent of the revenues designated for the Office of Hawaiian Affairs pursuant to section 10-13.5, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure to:

- (1) Make a one time appropriation of \$180,000 of the funds derived from the public land trust as described in section 10-3, Hawaii Revised Statutes, for the repair and maintenance of Mauna `Ala;
- (2) Insert language to specify that the sum appropriated shall not come from the public land trust proceeds designated for the Office of Hawaiian Affairs pursuant to section 10-13.5, Hawaii Revised Statutes;
- (3) Designate the Office of Hawaiian Affairs as the expending agency; and
- (4) Change the effective date from July 1, 2003 to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1294, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1294, S.D. 2, H.D. 1, C.D. 1.

Representatives Saiki, Carroll and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 126-06 on S.B. No. 2898

The purpose of this bill is to designate the Chief Executive Officer of Hawaii Health Systems Corporation as the chief procurement officer and to increase the qualifying small purchase amount from \$25,000 to \$50,000.

This bill will reduce procurement delays of essential medical supplies and equipment, and ensure that patient care and safety is not jeopardized, by designating the Chief Executive Officer of Hawaii Health Systems Corporation as the chief procurement officer and increasing the allowable small purchase amount.

Your Committee on Conference amended this bill by:

- (1) Including a provision for small purchases through an electronic procurements system that is in accordance with rules issued by the policy board; and
- (2) Changing the effective date to "upon approval; provided that section 2 shall take effect on July 1, 2007 or upon the adoption of rules issued by the policy board for all agencies subject to Chapter 103D, whichever occurs first: The policy board shall immediately inform the revisor of statutes upon the adoption of such rules."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2898, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2898, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Caldwell, Nakasone and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Baker, Inouye, Tsutsui, Espero, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 127-06 on S.B. No. 2720

The purpose of this measure is to amend certain provisions of Act 51, Session Laws of Hawaii 2004, to repeal the transfer of functions from the Departments of Budget and Finance, Attorney General, and Human Services to the Department of Education, and to delay for one year the transfer of school health aides and public health nurses from the Department of Health to the Department of Education.

Your Committee on Conference has accepted the Senate Draft 2 version of this measure. Accordingly, the measure has been amended by delaying for one year, rather than repealing, the transfer of functions from certain state departments to the Department of Education.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2720, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2720, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Takamine and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Inouye, Taniguchi, Espero, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 128-06 on S.B. No. 3072

The purpose of this measure is to streamline the process for adjusting fee charges for medical services provided under a motor vehicle insurance policy's personal injury protection provisions.

Specifically, this measure allows insurers to adjust fee charges to conform them to the applicable fee schedule without issuing formal denial notices. This measure also provides that fee adjustments constitute the acceptance of treatments and not the denials of benefits.

Your Committee on Conference finds that recent litigation over an insurer's practice of adjusting medical procedure codes provided to an insured under a motor vehicle insurance policy, paying the provider the undisputed amount billed, then seeking to negotiate with the provider over the disputed portion of the bill has revealed ambiguities in the current law. Pursuant to Orthopedic Assoc. of Hawaii, Inc. v. Hawaiian Ins. & Guar. Co., Ltd., 109 Hawaii 185 (2005), the Supreme Court ruled that in situations where the insurer disputes billing codes or billing amounts, but not the treatment provided, and pays the undisputed portion of the bill, the insurer is still required to issue a formal denial notice pursuant to section 431:10C-304(3)(B), Hawaii Revised Statutes. Your Committee on Conference further finds that, as a result of the Court's ruling in Orthopedic Assoc. of Hawaii, insurers are required to issue denial notices in the thousands, in triplicate, each month for billing discrepancies, even though the amount disputed may be as little as one dollar. The issuance of these denial notices has not only significantly increased the amount of paperwork required of insurers, but has also created a great deal of stress and concern for the insureds who are confused as to whether and why their treatments have been denied.

Your Committee on Conference believes that changes to the law are necessary to streamline the onerous process required by the Supreme Court and to clarify the legislative intent that treatment denials and payment disputes should be treated differently. Your Committee on Conference further believes that an insured or claimant should not be denied the opportunity to contest an insurer's decision to dispute a provider's charges. In Wilson v. AIG Hawaii Ins. Co., 89 Hawaii 45 (1998), the Court held that the statutory scheme insulating claimants from personal liability for unpaid portions of medical bills reflected a legislative intent not to permit insureds to contest payment disputes, notwithstanding statutory language permitting any insured to contest such disputes. The law should provide a claimant with the ability to submit a dispute to the commission, arbitration, or a court, reflecting the legislative intent to allow claimants to contest fee disputes. Patients have a direct interest in proper payment to their doctors to maintain appropriate treatment and patient-doctor relationships. Your Committee on Conference finds that it is necessary to permit claimants to contest fee disputes to maintain the pool of doctors willing to treat accident patients, as many doctors have stopped accepting accident patients because of the Wilson case, making needed medical treatment unavailable to many patients. Accordingly, claimants, insurers, and providers should be statutorily afforded real party in interest status and standing to contest all fee disputes.

Your Committee on Conference has amended this measure by:

- (1) Allowing a provider, claimant, or insurer to submit any dispute involving the billed amount, correct fee, or procedure code to the Commissioner, arbitration, or a court of competent jurisdiction;
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style; and
- (3) Changing the effective date to become effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3072, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3072, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, Lee and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 129-06 on S.B. No. 2343

The purpose of this bill is to authorize the Department of Health and the Department of Human Services to conduct criminal background checks of persons providing care or having access to elderly and disabled individuals in health care facilities.

This bill will assist in ensuring the safety of the elderly and disabled in health care facilities by requiring individuals that are involved their care to undergo background checks.

Your Committee on Conference amended this bill by:

- (1) Deleting the definition for "finding of patient or resident abuse";
- (2) Specifying that the department may request criminal history record information which includes Federal Bureau of Investigation data through the Hawaii criminal justice data center; and
- (3) Changing the effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2343, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2343, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Luke, Nishimoto and Halford.
Managers on the part of the House.

Senators Baker, Chun Oakland, Hanabusa, Hooser and Whalen.
Managers on the part of the Senate.
(Senators Hooser and Whalen were excused.)

Conf. Com. Rep. 130-06 on S.B. No. 2145

The purpose of this measure is to promote the coordination of the State's environmental justice activities and require a comprehensive review of the State's existing environmental impact statement process.

This measure will help ensure that principles of environmental justice are systematically included in all phases of the environmental review process. It will also help ensure that each agency fulfills its duty to identify and address any disproportionately adverse human health, environmental, or cultural effects on minority populations, native Hawaiians, and low-income populations that would be caused by a proposed action or the agency's policies, programs, and activities.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2006; and
- (2) Making technical, non-substantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2145, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2145, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, B. Oshiro, Evans and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators English, Hanabusa, Taniguchi, Kokubun and Whalen.
Managers on the part of the Senate.
(Senators Kokubun and Taniguchi were excused.)

Conf. Com. Rep. 131-06 on S.B. No. 2957

The purpose of this measure is to provide one segment of a larger comprehensive set of proposals to assist the State in achieving energy self-sufficiency.

This is an omnibus energy package, the original contents of which were divided between this measure and H.B. No. 2175, H.D. 2, S.D. 2, C.D. 1, after agreement by your Committee on Conference.

In its current version, this measure will:

- (1) Increase renewable energy technology tax credits for certain energy systems and remove the tax credit's January 1, 2008, sunset date;
- (2) Authorize the issuance of general obligation bonds for the development and implementation of a photovoltaic, net energy metered system pilot project in public schools;

- (3) Update the State's energy policy to promote state use of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternate fuels, and energy-savings contracts;
- (4) Require the State's Energy Resources Coordinator to establish benchmarks and evaluate the State's progress in incorporating energy efficiency and conservation measures and to make recommendations on how and when to conduct periodic energy audits;
- (5) Authorize the issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
- (6) Appropriate funds to hire a full-time energy conservation coordinator position position to address energy efficiency in Department of Education facilities;
- (7) Appropriate funds to hire a full-time energy-efficiency coordinator position within the Department of Business, Economic Development, and Tourism;
- (8) Accelerate the timetable to phase-in energy-efficient vehicles into the State's motor vehicle fleet;
- (9) Require the counties to establish a procedure for priority processing of permit applications for construction projects incorporating energy and environmental design building standards;
- (10) Establish a biofuel preference in Hawaii's procurement law;
- (11) Establish a Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and appropriate funds for the hydrogen program and the special fund;
- (12) Appropriate funds to conduct a statewide multi-fuel biofuels production assessment of potential feedstocks and technologies;
- (13) Appropriate funds to provide assistance to the agricultural community interested in developing energy projects, especially for the production of biodiesel from energy crops and cellulosic ethanol from agricultural waste streams;
- (14) Appropriate funds for the Hawaii Natural Energy Institute to hire one full-time hydrogen system program manager; and
- (15) Require the Public Utilities Commission to implement a "pay as you save" pilot program to help residents purchase energy-efficient solar hot water heater systems.

Your Committee on Conference has amended this measure by:

- (1) Deleting certain sections that are present in H.B. No. 2175, H.D. 2, S.D. 2, C.D. 1, relating to:
 - (A) The issuance of general obligation bonds for a photovoltaic, net energy metered system pilot project in public schools;
 - (B) The promotion of state use of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternate fuels, and energy-savings contracts;
 - (C) The establishment of benchmarks by the State's Energy Resources Coordinator and other increased responsibilities;
 - (D) The issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
 - (E) Hiring coordinators within the Department of Education and within the Department of Business, Economic Development, and Tourism;
 - (F) Energy-efficient vehicles into the State's motor vehicle fleet; and
 - (G) Priority processing of permit applications for construction projects incorporating energy and environmental design building standards;
- (2) Determining that the biofuel preference shall be:
 - (A) For use in diesel engines, five cents per gallon of one hundred per cent biodiesel; and
 - (B) For use in boilers, five cents per gallon of one hundred per cent biofuel;
- (3) Deleting the appropriation for the Hawaii Renewable Hydrogen Program;

- (4) Further facilitating the development of alternate fuels by establishing state support of the attainment of a statewide alternate fuel standard of ten percent of highway fuel demand to be provided by alternate fuels by 2010, fifteen percent by 2015, and twenty percent by 2020;
- (5) Making the measure effective upon approval; provided that the section pertaining to renewable energy technology tax credits shall apply to taxable years beginning after December 31, 2005; provided further that the increased tax credits shall be available only to eligible renewable energy technology systems installed after July 1, 2006; and provided further that the appropriation sections shall take effect on July 1, 2006; and
- (6) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2957, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Herkes, Takamine and Pine.
Managers on the part of the House.

Senators English, Menor, Taniguchi, Espero, Kokubun and Whalen.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 132-06 on S.B. No. 3181

The purpose of this measure is to improve recycling efforts in the State by amending parts of the Deposit Beverage Container Program.

This measure will:

- (1) Increase the volume limit on containers to equal to or less than sixty-eight fluid ounces;
- (2) Eliminate the requirement for deposit beverage distributors to distinguish each container's manufacture location when calculating payment of fees for inventory reports and monthly reports;
- (3) Prohibit containers that do not meet the definition of container from indicating the Hawaii refund value;
- (4) Require redemption center dealers to operate each redemption center for a minimum of thirty hours a week, of which five hours shall be on a Saturday or Sunday;
- (5) Allow consumers to request that refund values be computed by container count for loads of two hundred containers or less;
- (6) Allow redemption center dealers to refuse to pay refund values on containers that exhibit characteristics of having been previously processed or baled;
- (7) Require redemption centers to physically receive the deposit beverage containers to receive handling fees from the Department of Health; and
- (8) Establish penalties and fines for individuals who intend to defraud the program through false or fraudulent reports or claims and divert levied fines to the Deposit Beverage Container Deposit Special Fund.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision that would have required redemption center dealers to operate each redemption center for a minimum amount of time;
- (2) Making the measure effective upon its approval; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3181, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3181, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Herkes, Yamashita and Thielen.
Managers on the part of the House.

Senators English, Menor, Taniguchi, Espero and Hogue.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 133-06 on S.B. No. 486

The purpose of this measure is to support safe, structured learning environments and programs for children and youth during non-school hours.

This measure will support supervised programs for children and youth enrolled in school to help provide care before and after school.

Your Committee on Conference has amended this measure by amending the fiscal year to 2006-2007 for the appropriations, making the non-school hour programs for kindergarten through twelfth grades, making the funding source general funds, changing the effective date to July 1, 2006, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 486, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 486, S.D. 2, H.D. 1, C.D. 1.

Representatives Sonson, Carroll and Moses.
Managers on the part of the House.
(Representative Moses was excused.)

Senators Chun Oakland, Ige, Tsutsui, Fukunaga, Kokubun, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Fukunaga, Kokubun and Taniguchi were excused.)

Conf. Com. Rep. 134-06 on S.B. No. 3003

The purpose of this measure is to extend income eligibility for the state pharmacy assistance plan to one hundred fifty percent of the federal poverty level.

This measure will provide prescription assistance to eligible state residents earning up to one hundred fifty percent of the federal poverty level.

Your Committee on Conference has amended this measure by:

- (1) Removing the directive for qualification of the State Pharmacy Assistance Program by the federal Centers for Medicare and Medicaid Services;
- (2) Eliminating the requirement for the Department of Human Services to provide enrollment assistance for the Medicare Part D program;
- (3) Extending eligibility to State Pharmacy Assistance Program applicants enrolled in another public assistance program that provides pharmacy benefits to include Medicaid recipients;
- (4) Reinstating the asset test requirement;
- (5) Deleting the provisions relating to payment of enrollee costs required under the federal Medicare Part D program, including deductibles and co-payments;
- (6) Amending the funding provisions relating to sufficient rebates received pursuant to section 346-342(g), Hawaii Revised Statutes;
- (7) Deleting the provisions of Section 4, relating to the use of moneys in the State Pharmacy Assistance Program Special Fund, and Section 5, relating to the repeal of the definition of "full coverage prescription drug benefit";
- (8) Replacing the \$1 appropriation with a dollar amount;
- (9) Changing the effective date to July 1, 2006, except the effective date for Section 3, regarding funding resources, was changed to July 1, 2007; and
- (10) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3003, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3003, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Arakaki, Carroll and Finnegan.
Managers on the part of the House.

Senators Chun Oakland, Baker, Tsutsui, Fukunaga, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Fukunaga and Taniguchi were excused.)

Conf. Com. Rep. 135-06 on S.B. No. 3215

The purpose of this measure is to continue the Children of Incarcerated Parents Task Force through 2007.

This measure enables the Children of Incarcerated Parents Task Force to continue its efforts to develop programs to aid children whose parents are incarcerated, to strengthen these families, and to break the cycle of violence within them.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006, amending the sunset date to December 31, 2007 in order to give the Task Force time to file its report to the Legislature, inserting a dollar amount to be appropriated, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3215, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3215, S.D. 1, H.D. 2, C.D. 1.

Representatives Sonson, Ito, Chong and Moses.
Managers on the part of the House.
(Representative Moses was excused.)

Senators Chun Oakland, Tsutsui, Hooser, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Hooser and Taniguchi were excused.)

Conf. Com. Rep. 136-06 on S.B. No. 3247

The purpose of this measure is to ensure the continuation of care homes and the availability of care homes to Medicaid recipients.

This measure increases the maximum capacity for adult family boarding homes and care homes from five to six non-family members and increases the authorized number of non-family member residents who may be incapable of self-preservation from two to three. It also enables the Department of Health to allow at its discretion an additional resident in certain Adult Residential Care Homes.

Your Committee on Conference has amended this measure as follows:

- (A) For Type I homes, authorizing the Department of Health to allow up to six residents at its discretion, provided that the primary caregiver or home operator is a certified nurse aide who has completed a state-approved training program and other training required by the Department;
- (B) For Community Care Foster Family Homes, the Department may certify the home for a third adult at its discretion, provided that the resident is at the nursing level of care and a medicaid recipient, and provided further that the primary and substitute caregivers are certified nurse aides who have completed a state-approved training program and other training required by the Department;
- (C) Removing the requirement that increased capacity for a Type II home include at least one bed reserved for Medicaid patients;
- (D) Deleting the section repealing the sunset provisions of Act 273, Session Laws of Hawaii 2001, as amended by Acts 95 and 98, Session Laws of Hawaii 2003, and Act 153, Session Laws of Hawaii 2004;
- (E) Changing the effective date to July 1, 2007; and
- (F) Making technical, non-substantive amendments for clarity, consistency, and style.

Your Committee on Conference intends the Department of Health to include its "Critical Thinking and Judgment" and the "Behavior Management" training modules as part of the "other training required by the Department" with respect to the Adult Residential Care Homes expansion.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3247, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3247, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Arakaki, Carroll and Finnegan.
Managers on the part of the House.

Senators Chun Oakland, Tsutsui, Baker, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 137-06 on S.B. No. 3252

The purpose of this measure is to appropriate funds to the Executive Office on Aging to coordinate a statewide system of family caregiver support.

This measure will help the Executive Office on Aging maintain the quality of life of Hawaii's older adults and their families through the expansion of its Kupuna Care Services Program. It will also aid in the coordination and development of family caregiver support services.

Your Committee on Conference has amended this measure by:

- (1) Reinserting the provisions of Part II of the Senate Draft 2 as Part I, which relate to expanding the Executive Office on Aging's Kupuna Care Services Program and appropriating funds;
- (2) Changing the effective date to July 1, 2006; and
- (3) Replacing the blank appropriations with dollar amounts.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3252, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3252, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Sonson, Lee and Finnegan.
Managers on the part of the House.

Senators Chun Oakland, Baker, Tsutsui, Fukunaga, Ihara, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Fukunaga and Taniguchi were excused.)

Conf. Com. Rep. 138-06 on S.B. No. 2570

The purpose of this measure is to:

- (1) Expand the scope of the motion picture and film production tax credit under section 235-17, Hawaii Revised Statutes to include digital media;
- (2) Increase the tax credit from four percent to:
 - (A) Fifteen percent for qualified production costs incurred in a county with a population over seven hundred thousand; and
 - (B) Twenty percent for qualified production costs incurred in a county with a population of seven hundred thousand or less;
- (3) Establish criteria that productions must meet to qualify for the tax credit;
- (4) Provide a maximum amount of \$8,000,000 per qualified productions for the tax credit; and
- (5) Repeal the tax credit on January 1, 2016.

Since 1992, the film industry has generated approximately \$160,000,000 in tax revenues for the State. However, there has been a dramatic increase in the number of states that are taking film productions away from Hawaii by offering more favorable incentives for motion picture, digital media, and film productions. Your Committee on Conference finds that increasing the tax credit for motion picture and film production will attract more film and television productions to Hawaii and will enable the State to compete more effectively against other jurisdictions with similar tax incentives.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020 to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2570, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2570, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Karamatsu, Yamashita and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Fukunaga, Taniguchi, Ige and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 139-06 on S.B. No. 3078

The purpose of this measure is to assist the Agribusiness Development Corporation to create the Hawaii agribusiness plan.

Your Committee on Conference finds that in order for Agribusiness Development Corporation to be effective, strategies and goals must be developed to guide its Board of Directors. Accordingly, this measure directs the Legislative Reference Bureau to conduct a study to identify elements that should be included in the Hawaii Agribusiness Plan and to report back prior to the 2007 regular session.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3078, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3078, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Tsuji and Halford.
Managers on the part of the House.

Senators Kokubun, Espero, Taniguchi, English and Slom.
Managers on the part of the Senate.
(Senators English and Espero were excused.)

Conf. Com. Rep. 140-06 on S.B. No. 2997

The purpose of this measure is to provide exemptions from the Hawaii public procurement code for the Hawaii Strategic Development Corporation, Natural Energy Laboratory of Hawaii Authority, and High Technology Development Corporation, as well as to exempt purchases of services from contractors contracted by a legislative agency for the purpose of preparing a report to the Legislature.

Act 216, Session Laws of Hawaii 2004, repealed the procurement code exemptions for the Hawaii Strategic Development Corporation, Natural Energy Laboratory of Hawaii Authority, and High Technology Development Corporation. Your Committee finds that these entities need to have the administrative flexibility in a highly technical and volatile investment environment to enable them to make procurements in an efficient and expeditious manner.

Your Committee further finds that legislative agencies that contract for services to perform studies pursuant to an Act or concurrent resolution should similarly be exempt from the Hawaii public procurement code. These studies entail specialized area of knowledge, and there are usually a limited number of qualified contractors with the expertise to perform such studies.

Your Committee has amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2997, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2997, S.D. 1, H.D. 1, C.D. 1.

Representatives Karamatsu, Yamashita and Marumoto.
Managers on the part of the House.
(Representative Marumoto was excused.)

Senators Inouye, Fukunaga, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 141-06 on S.B. No. 845

This measure makes revisions to the commercial driver licensing law to conform with provisions of federal law. The Federal Motor Carrier Safety Administration has reviewed Hawaii law to ensure consistency with federal law. This measure includes the changes recommended by the federal government.

Your Committee finds that failure to enact this measure may result in the loss of approximately \$4,900,000, or five percent of federal-aid highway funds, based upon fiscal year 2004, for the first year of non-compliance, and \$9,800,000, or ten percent, per year thereafter. Motor Carrier Safety Assistance Program grants may also be at risk as a result of noncompliance.

Your Committee has amended this measure by:

- (1) Clarifying the proper federal statute citation, as contained in the original version of the measure;
- (2) Deleting an erroneous statutory cross-reference; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 845, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 845, S.D. 2, H.D. 2, C.D. 1.

Representatives Luke, Lee and Moses.
Managers on the part of the House.

Senators Inouye, Taniguchi, Espero, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 142-06 on S.B. No. 1899

The purpose of this measure is to appropriate funds to:

- (1) Provide the scientific information to support the deregulation process which will allow the genetically engineered Hawaiian rainbow papaya to be introduced into the Japanese market; and
- (2) Initiate the development and implementation of a marketing plan to promote transgenic and non-transgenic Hawaiian papaya in Japan and in future markets, including China and the European Union.

Your Committee on Conference has amended this measure by:

- (1) Inserting the amount of \$200,000 into the appropriation to provide the necessary scientific information and initiate the development and implementation of a marketing plan;
- (2) Making the appropriation specifically for fiscal year 2006-2007; and
- (3) Making it effective on July 1, 2006.

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

Representatives Chang, Tsuji and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Kokubun, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings was excused.)

Conf. Com. Rep. 143-06 on S.B. No. 2984

The purpose of this measure is to appropriate funds to the Kikala-Keokea housing revolving fund.

Your Committee on Conference finds that Act 314, Session Laws of Hawaii (SLH) 1991, as amended, authorized the Department of Land and Natural Resources to negotiate long-term leases with displaced families from Kalapana on ceded lands in the Kikala-Keokea homestead area. Act 314 was enacted to assist those displaced by the continuing lava flows from Kilauea, which began in 1983 and led to the eventual destruction of Kalapana in 1991.

Your Committee on Conference further finds that pursuant to Act 144, SLH 2001, the Legislature established the infrastructure development fund for the construction of infrastructure and the Kikala-Keokea housing revolving fund to provide low-interest loans to Kikala-Keokea lessees for residential construction. This measure appropriates funds to the Kikala-Keokea housing revolving fund to allow housing construction to begin.

Your Committee on Conference has amended this measure by inserting the amount of \$200,000 to fund its purpose.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2984, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2984, S.D. 1, H.D. 1, C.D. 1.

Representatives Kahikina, Nishimoto, Hale and Halford.
Managers on the part of the House.

Senators Kokubun, Hanabusa, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings was excused.)

Conf. Com. Rep. 144-06 on S.B. No. 2036

The purpose of this measure is to extend business and technology-based incubation services to foreign technology companies seeking to do business in the State by making an appropriation for the High Technology Development Corporation to establish an international business and technology incubator program in Hawaii.

Hawaii is an attractive alternative to other technology incubator programs on the mainland due to its closer proximity to Asia and the State's culturally diverse population. An international expansion of the incubator program is expected to create more business and technology-based jobs, economic diversity, and a new external source of tax revenues for the State. Your Committee on Conference finds that making an appropriation to the High Technology Development Corporation will provide the necessary start-up funding to operate international business and technology incubator programs.

Your Committee on Conference has amended this measure by:

- (1) Adding an appropriation amount of \$400,000;
- (2) Changing the effective date of this measure from July 1, 2020 to July 1, 2006; and
- (3) Making nonsubstantive, technical changes for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference 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 Final Reading in the form attached hereto as S.B. No. 2036, S.D. 1, H.D. 1, C.D. 1.

Representatives Karamatsu, Hale, Wakai and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Fukunaga, Espero, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Taniguchi and Tsutsui were excused.)

Conf. Com. Rep. 145-06 on S.B. No. 2753

The purpose of this measure is to appropriate funds for the continued operation and maintenance of the east Kauai irrigation system.

Your Committee on Conference finds that the east Kauai irrigation system provides water for a variety of purposes, including farmers in the Kapaa area, the Fern Grotto, a popular tourist destination, and the Wailua reservoir, which feeds water into public fishing areas, campgrounds, and an educational center for children. Despite user fees charged to system patrons, the system is in need of financial assistance. Accordingly, the measure provides the necessary funds to assist the East Kauai Water Users' Cooperative to operate and maintain the system.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Cooperative is faced with the problem of funding ongoing operations and maintenance of the system;
- (2) Inserting the amount of \$100,000 into the appropriation for the operation and maintenance of the east Kauai irrigation system; and
- (3) Making it effective on July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2753, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2753, S.D. 1, H.D. 2, C.D. 1.

Representatives Chang, Kanoho, Kawakami and Halford.
Managers on the part of the House.

Senators Kokubun, Taniguchi, Hooser, Ige, Inouye and Hemmings.
Managers on the part of the Senate.
(Senators Inouye and Hemmings were excused.)

Conf. Com. Rep. 146-06 on S.B. No. 2486

Your Committee on Conference finds that the Invasive Species Council is a very important agent in preventing, controlling, and eradicating invasive species in Hawaii, and the areas that are most affected by the invasive species are on the neighbor islands. This measure:

- (1) Repeals the sunset date for the Council, permanently placing it within the Department of Land and Natural Resources for administrative purposes only;
- (2) Increases the membership of the Council by adding eight legislative members to serve as ex officio, nonvoting members; and
- (3) Establishes quorum and voting requirements for the Council.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions that placed legislative members on the Invasive Species Council;
- (2) Requiring representatives from the Legislature to be asked to participate or consulted for advice and assistance.

These amendments were made at the suggestion of the Attorney General because he determined that having legislative members serving on the Council violated the separation of powers between the executive and legislative branches of government.

Your Committee on Conference further amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2486, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2486, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Morita, Tsuji and Halford.
Managers on the part of the House.

Senators Kokubun, English, Inouye and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 147-06 on S.B. No. 2879

The purpose of this measure is to make an appropriation to help defray the operational expenses of the Hawaii Civil Air Patrol.

Your Committee finds that the Hawaii Civil Air Patrol provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services to local and national organizations. The Civil Air Patrol also plays a vital role in disaster relief. Volunteer civil air patrol members fly disaster relief officials to remote locations and support local, state, and national disaster relief organizations with experienced pilots and personnel. The Civil Air Patrol also transports time-sensitive medical materials, blood products, and body tissue.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$60,000; and
- (2) Changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2879, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2879, S.D. 1, H.D. 1, C.D. 1.

Representatives Chong, Ito, Moses and Tanaka.
Managers on the part of the House.

Senators Inouye, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 148-06 on S.B. No. 2575

The purpose of this Act is to appropriate moneys for the completion of a baseline environmental study of the Waianae coast ocean area.

Pursuant to Act 6, Special Session Laws of Hawaii 2005, the Legislature required the Department of Land and Natural Resources to prepare a baseline environmental study of the area from Kalaeloa point to Kaena point for the purpose of designating the boundaries of and adopting rules for an ocean recreation management area. However, the study was not completed due to a lack of funding.

Your Committee on Conference understands that the cumulative economic, environmental, social, and cultural impacts of the growing west Oahu population and visitor industry remain matters of great concern to the communities along the Waianae coast. This measure will enable the Department of Land and Natural Resources to complete the baseline environmental study.

Your Committee on Conference has amended this measure by:

- (1) Inserting the amount of \$120,000 into the appropriation for the completion of the baseline environmental study; and
- (2) Making it effective on July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2575, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2575, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanohe, Morita, Carroll, Shimabukuro and Meyer.
Managers on the part of the House.

Senators Kokubun, English, Taniguchi and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 149-06 on S.B. No. 2348

The purpose of this bill is to appropriate funds to prepare for a pandemic of a novel strain of influenza.

This bill will enable the Department of Health to prepare for an influenza pandemic by providing funding for medications, mass clinic supplies, laboratory supplies and equipment, personal protective equipment, and a data management system for tracking cases and contacts.

Your Committee on Conference amended this bill by:

- (1) Appropriating out of the general revenues the sum of \$6,318,618;
- (2) Appropriating out of the emergency and budget reserve fund the sum of \$5,000,000; and
- (3) Changing the effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2348, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2348, S.D. 1, H.D. 1, C.D. 1.

Representatives Arakaki, Takamine, Green and Halford.
Managers on the part of the House.

Senators Baker, Taniguchi, Chun Oakland, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 150-06 on S.B. No. 1648

The purpose of this measure is to provide tuition assistance to qualifying children of certain emergency personnel and Hawaii veterans who are killed in the line of duty, and to certain military personnel who are absent from college for more than thirty days in a semester due to their military activities.

Your Committee on Conference has amended this measure by removing the language proposed by House Draft 1 of this measure, and inserting an amendment to section 304-4 of the Hawaii Revised Statutes, which would allow the University of Hawaii Board of Regents to waive the nonresident tuition and fee differential for members in good standing of the Hawaii National Guard and the Hawaii-based federal reserve components of the U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard, regardless of their actual state of residence.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1648, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1648, S.D. 1, H.D. 2, C.D. 1.

Representatives Waters, Chong and Moses.
Managers on the part of the House.

Senators Sakamoto, Hee, Taniguchi, Hooser and Hogue.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 151-06 on H.B. No. 1862

The purpose of this bill is to relieve the teacher shortage in Hawaii by allowing the Department of Education (DOE) to employ retired teachers and administrators full-time to teach in teacher shortage areas and to serve as mentors for new classroom teachers.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that:
 - (A) Retired teachers may be employed to teach in teacher shortage areas identified by DOE and charter schools and to serve as mentors for new classroom teachers; and
 - (B) Retired administrators may be employed to teach or administer in teacher shortage areas identified by DOE and charter schools and to serve as mentors for new classroom teachers;
- (2) Removing the provision that allows a retired teacher or administrator to be employed as a new teacher mentor immediately upon retirement;
- (3) Extending the bill's provisions to charter schools;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1862, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1862, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, Caldwell, Nakasone and Finnegan.
Managers on the part of the House.
(Representative Nakasone was excused.)

Senators Sakamoto, Kanno, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.
(Senators Taniguchi and Tsutsui were excused.)

Conf. Com. Rep. 152-06 on H.B. No. 1891

The purpose of this bill is to increase the availability of funds for repair and maintenance projects at Hawaii's public schools by increasing the amount of funds to be deposited into the State Educational Facilities Improvement Special Fund (SEFI).

Your Committee on Conference has amended this bill by:

- (1) Allowing the sum from all general excise tax revenues realized by the State that represents the difference between \$90,000,000 and the proceeds from the sale of any general obligation bonds authorized for that fiscal year for the purposes of SEFI to be deposited in the state treasury in each fiscal year to the credit of SEFI;
- (2) Changing the effective date to July 1, 2006, with a repeal date of June 30, 2008; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1891, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1891, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, Nakasone and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Sakamoto, Taniguchi, Fukunaga, Hooser and Hogue.
Managers on the part of the Senate.
(Senator Fukunaga was excused.)

Conf. Com. Rep. 153-06 on H.B. No. 1800

The purpose of this bill is to address the issue of speculative real estate sales in Hawaii by increasing the income tax withheld on the sale of real property in Hawaii by a non-resident seller from five to 8.25 percent of the amount realized from the sale.

Your Committee on Conference has amended this bill by changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1800, H.D. 1, S.D. 1, C.D. 1.

Representatives Herkes, Nishimoto and Yamashita.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero, Kanno, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Kanno and Tsutsui were excused.)

Conf. Com. Rep. 154-06 on H.B. No. 1923

The purpose of this bill is to maintain the operational efficiency of the Hawaii Tourism Authority (HTA) by extending to June 30, 2011, the sunset date of provisions that, among other things:

- (1) Grant HTA authority to retain attorneys independent of the Attorney General;
- (2) Exempt HTA's accounts from supervision by the Comptroller;
- (3) Require HTA to preaudit all of its proposed payments to determine the propriety of expenditures and compliance with applicable laws;
- (4) Grant HTA the authority to hire a sports coordinator;

- (5) Establish that all interest and revenues or receipts derived by HTA from projects or project agreements shall be deposited into the Tourism Special Fund (TSF); and
- (6) Specify that five percent of TSF monies may be used for administrative expenses.

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

- (1) Changing the sunset date from June 30, 2011, to June 30, 2010;
- (2) Making it effective upon approval; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1923, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1923, H.D. 1, S.D. 2, C.D. 1.

Representatives Chang, Luke, Yamashita and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Kim, Tsutsui, Nishihara, Taniguchi and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 155-06 on H.B. No. 2669

The purpose of this bill is to assist the Convention Center in meeting its operational and maintenance expenses by increasing the ceiling on the amount of transient accommodations tax revenues to be deposited into the Convention Center Enterprise Special Fund per calendar year from \$31,000,000 to \$33,000,000.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2669, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2669, H.D. 1, S.D. 2, C.D. 1.

Representatives Chang, Yamashita and Stevens.
Managers on the part of the House.
(Representative Stevens was excused.)

Senators Kim, Taniguchi, Nishihara and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 156-06 on H.B. No. 2239

The purpose of this measure is to preserve affordable rental housing units in Hawaii by:

- (1) Directing the Hawaii Housing Finance and Development Administration (HHFDA) to initiate negotiations for the acquisition of Kukui Gardens;
- (2) Requiring all of the units to be retained in perpetuity as affordable housing for households at or below 120 percent of the median family income (MFI);
- (3) Appropriating funds for the acquisition; and
- (4) Requiring HHFDA to exercise its power of eminent domain to acquire Kukui Gardens if an agreement cannot be reached.

Your Committee has amended this bill by:

- (1) Authorizing HHFDA to initiate negotiations with Kukui Gardens Corporation's successor in interest, should the property be sold prior to negotiations;
- (2) Requiring HHFDA, as an alternative to the acquisition of the property, to make public financing resources available to extend affordable rents at Kukui Gardens through at least 2016;

- (3) Providing that in the event that affordable rents are extended, at least 50 percent of the rental units are retained at rents affordable to households whose incomes do not exceed 80 percent of the median family income, of which five percent of the units are set aside for persons whose incomes do not exceed 30 percent of MFI;
- (4) Requiring, in the event that HHFDA acquires Kukui Gardens, that 80 percent of the units be retained in perpetuity as affordable to households at or below 140 percent of MFI;
- (5) Appropriating \$200,000 for HHFDA to negotiate with the owner of Kukui Gardens to either extend the period of affordable rents to at least 2016, acquire Kukui Gardens, or commence the condemnation process;
- (6) Changing the effective date to July 1, 2006; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2239, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2239, H.D. 1, S.D. 2, C.D. 1.

Representatives Kahikina, Nishimoto and Halford.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 157-06 on H.B. No. 2399

The purpose of this bill is to enhance ferry service among the islands of Maui County by affording preferential consideration for ferry landings, but not other commercial purposes, to all small boat facilities within Maui County.

Currently, only ferry service between the islands of Maui and Molokai is afforded preferential consideration for both ferry landings and other commercial purposes, including the issuance of commercial operating permits and the waiver of applicable fees. Your Committee on Conference finds that allowing preferential consideration to all small boat facilities within the County of Maui increases the possibility of expanding ferry service between all islands in Maui County.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2399, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2399, H.D. 2, S.D. 1, C.D. 1.

Representatives Souki, Kanoho, Lee, Carroll and Stevens.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Kokubun, Taniguchi, Ige, Espero, Inouye and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 158-06 on H.B. No. 2075

The purpose of this bill is to support bicycling as an alternative mode of transportation by:

- (1) Earmarking at least two percent of federally allocated monies out of the State Highway Fund for the establishment of bikeways; and
- (2) Requiring the Department of Transportation (DOT) to involve the bicycling community in the planning of bikeways.

Although bicycling has long been a popular recreational activity in Hawaii, it is also fast becoming a preferred mode of transportation, especially in light of rising fuel costs. Bicycling also lessens traffic congestion, lowers the repair and maintenance costs of Hawaii's roadways, improves the overall air quality of our state, and promotes the health of our citizens.

Your Committee on Conference has amended this measure by:

- (1) Allocating a portion of the State Highway Fund for bikeways;
- (2) Requiring the Director of Transportation to allot and expend two percent of federally eligible monies in the State Highway Fund for bikeways;
- (3) Clarifying that the authority of the Director of Transportation to allot and expend two percent of federal monies for bikeways applies to federally eligible monies, rather than federally allocated monies, in the State Highway Fund;

- (4) Removing the requirement that DOT include the bicycling community in a public involvement process to determine when and where a bikeway should be established;
- (5) Changing the effective date from July 1, 2050, to July 1, 2006; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2075, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2075, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Lee and Moses.
Managers on the part of the House.

Senators Inouye, Taniguchi, Espero and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 159-06 on H.B. No. 1880

The purpose of this bill is to protect Honolulu Harbor for maritime use by:

- (1) Removing Piers 1 and 2 of Honolulu Harbor from the Kakaako Community Development District; and
- (2) Granting jurisdiction and administrative authority over Piers 1 and 2, and the contiguous backup fast lands currently used for manifested cargo and passenger operations to the Department of Transportation (DOT), Harbors Division;
- (3) Granting jurisdiction and administrative authority over the area in the vicinity of Piers 1 and 2 currently being used as a Foreign Trade Zone to the Department of Business, Economic Development, and Tourism, Foreign Trade Zone Division;
- (4) Directing the Hawaii Community Development Authority to transfer the lands in question to the Department of Land and Natural Resources; and
- (5) Directing the Governor to set aside the areas:
 - (A) Presently containing the foreign-trade zone to the Department of Business, Economic Development, and Tourism; and
 - (B) Presently used as Pier 1 and Pier 2 and the backup foreign cargo container yard to DOT.

Hawaii's economic sustainability is dependent upon the effectiveness and efficiency of its harbor system. As an island state, Hawaii relies on its harbors for the movement of cargo between islands and the rest of the world. Honolulu Harbor serves as the main lifeline of cargo and commerce for the State of Hawaii. Your Committee on Conference finds that cargo-shipping space in Honolulu Harbor is at a premium and that the area that encompasses Piers 1 and 2 is nearing its maximum cargo capacity. This is especially true since the area used for foreign cargo containers was already reduced with the development of the passenger cruise ship terminal as part of Pier 2. New harbor space needs to be found and present cargo space needs to be conserved.

Your Committee on Conference has amended this measure by changing its effective date from July 1, 2050, to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1880, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1880, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Lee and Stevens.
Managers on the part of the House.

Senators Kokubun, Inouye, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 160-06 on H.B. No. 2214

The purpose of this bill is to assist the motor vehicle rental industry by allowing either the lessor or the repair dealer to retain a record of the repair order in order for a lessor to be exempt from the rental motor vehicle surcharge tax.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2050, to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2214, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2214, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Herkes, Lee and Stevens.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Inouye, Menor, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Menor and Hogue were excused.)

Conf. Com. Rep. 161-06 on H.B. No. 2637

The purpose of this bill is to assist airport vendors while enhancing the ambiance of Hawaii's airports by granting the Department of Transportation (DOT):

- (1) The flexibility to allow airport concessions to make improvements to their facilities; and
- (2) The authority to:
 - (A) Grant short-term extensions to concession leases or concession permits within specified parameters in exchange for improvements; and
 - (B) Modify and alter older leases and permits by changing relief terms to similar terms found in newer concession leases that provide emergency economic relief to concessions in case of disruptive economic events.

Your Committee on Conference finds that Hawaii's airports, as well as their concessions, are in need of repair and remodeling. However, statutory language and stringent accounting rules often make such projects difficult. Granting DOT the authority and flexibility to modify short-term leases and provide relief to a concession in return for improvements to the concession's premises would lead to meaningful investment by concessionaires and assist the State in meeting its airport modernization and improvement goals.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that DOT, in its sole discretion and authority, upon mutual agreement with a concession seeking to make improvements, may modify, alter, or amend the terms of concession leases and permits in exchange for improvements, including but not limited to locations, requirements, and obligations for concession leases or permits that did not receive rent relief after April 30, 2002, by way of negotiation or pursuant to Act 201, Session Laws of Hawaii 2004;
- (2) Specifying that any extension of a lease or permit shall be for a period not longer than 40 percent of the original term of the concession lease;
- (3) Deleting the provision that required that any extension of a lease or permit be for a period of time that is sufficient to allow the amortization of the cost of the improvements by the concession; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2637, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2637, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Lee and Moses.
Managers on the part of the House.

Senators Inouye, Taniguchi, Espero, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senators Tsutsui and Whalen were excused.)

Conf. Com. Rep. 162-06 on H.B. No. 2500

The purpose of this measure is to supplement the Judiciary Appropriations Act of 2005.

Specifically, your Committee on Conference provided an additional \$18,153,918 for the operating and capital improvement expenses of the Judiciary, increasing the Judiciary's total budget for fiscal year 2007 to \$149,431,158. This increase will enable the Judiciary to fulfill its mission of "administering justice in an impartial, efficient, and accessible manner in accordance with the law."

With respect to the administration of inmate probation programs, your Committee on Conference recognizes that inmates on probation, which include crystal methamphetamine users and domestic violence offenders, are increasingly failing to comply with the terms of traditional probation. The recidivism of these inmates has not only exacerbated the overcrowding problem in prisons, but has led to higher costs for the State as well.

To address this problem, your Committee on Conference has provided seven temporary positions and \$1,245,118 in general funds to expand the Probation Modification Project, which provides close supervision, treatment services, and immediate consequences for inmates

violating probation. This pilot program has already shown very promising results and the funding provided will allow the Judiciary to expand the program to oversee 1,257 of the most high-risk offenders.

Your Committee on Conference also included in this measure additional funding for the following programs:

- (1) \$241,000 in general funds to provide additional guardians ad litem for children and attorney services for indigent parents in the Family Court of the First Circuit;
- (2) \$158,329 in general funds to help establish the Court Interpreter Certification Program;
- (3) \$145,178 in general funds for various drug courts in the Second Circuit;
- (4) \$60,000 in general funds for a purchase of service to continue operations of the Kauai Teen Court in the Fifth Circuit;
- (5) \$249,475 in general funds for Na Loio Immigrant Legal Services that was converted from a grant to a purchase of service;
- (6) \$325,000 in general funds for a purchase of service for Domestic Violence services;
- (7) \$649,000 in general funds for a grant for the Legal Aid Society of Hawaii;
- (8) \$200,000 in general funds for a grant for the Children's Alliance of Hawaii;
- (9) \$25,000 in general funds for a grant for the Hawaii Family Law Clinic; and
- (10) \$200,000 in general funds for a grant for the Hawaii Pro Bono Lawyer Referral Project.

In addition to the resources provided for the Judiciary's operating requirements, your Committee on Conference appropriated \$14,000,000 in capital improvement projects, including \$6,000,000 to purchase land for the Kapolei Judiciary Complex, and \$1,000,000 for various renovations, repairs, and improvements to Judiciary facilities statewide.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2500, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2500, H.D. 2, S.D. 2, C.D. 1.

Representatives Luke, Takamine and Meyer.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Kanno, Espero and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 163-06 on H.B. No. 1900

I. General Overview

Hawaii's economy is well and thriving. But, even with record revenue growth and a generous budget surplus, your Committee on Conference is mindful of the hardships other states endured as a result of the way their budget surpluses were handled. During the late 1990s, many states enjoyed an economic boom that provided unprecedented revenue streams. In response, these states both increased their spending as well as reduced their taxes. These actions created structural deficits in these states' budgets, and when recession hit the nation in 2001, these states were faced with making tough choices, which included raising taxes and cutting programs.

In Hawaii's own history, there is evidence to warn against structural deficits. In 1989, Governor Waihee proposed large spending increases in the budget while simultaneously offering a large tax rebate in addition to tax reductions. Once the economic boom topped out, however, Hawaii was left with tough choices for many years.

In light of these lessons, your Committee on Conference feels that a more prudent approach is warranted. To dramatically reduce taxes and implement new costly programs at the same time would ignore history's teachings. In this context, your Committee on Conference is proposing a responsible fiscal approach, which includes a modest increase in expenditures, with the majority of these being investments in our schools and infrastructure. Our emergency shelter infrastructure was also aided by the state surplus. In addition, while tax reform is important to the people of Hawaii, your Committee on Conference proposes that the State pursue a more controlled and targeted form of tax relief this year. While the tax relief endorsed by your Committee on Conference may not be to the level that others may wish to pursue, your Committee on Conference feels that it is wiser to institute a long-term sustainable tax relief plan to smooth economic peaks and valleys, rather than take a drastic short-term approach.

The Supplemental Operating Budget

Your Committee on Conference continues to make Hawaii's public schools its top budget priority and the centerpiece of this supplemental budget. Although funding has been increased for virtually all state departments, none approaches the level of funding afforded to the Department of Education (DOE). Your Committee on Conference has appropriated forty-seven per cent of the new general fund appropriations for fiscal year 2006-2007, or \$106,100,000 to the DOE for a total of \$1,900,000,000 in general funds for the fiscal biennium.

Your Committee on Conference has also remained dedicated to providing for the basic needs of our citizens with increases in general fund appropriations of \$39,900,000 for the Department of Human Services, \$26,300,000 for related programs at the University of Hawaii, \$19,500,000 for the Department of Health, and \$15,700,000 for the Department of Public Safety.

Overall, your Committee on Conference has recommended an increase of the Executive Supplemental Operating Budget general fund expenditures in fiscal year 2006-2007, from \$4,500,000,000 to \$4,700,000,000, an increase of \$221,500,000 or 4.9 per cent. For all means of financing, your Committee on Conference has proposed a total expenditure level of \$9,600,000,000 for fiscal year 2006-2007, virtually identical with what was requested by the Executive Branch. This ambitious financial package is based upon optimistic financial projections by the Council on Revenues, tempered by federal fiscal concerns, as well as careful comparisons and observations of fiscal and budgetary programs in other states and the Government Accounting and Standards Board.

Council on Revenues

At its March 6, 2006, meeting, the Council on Revenues updated its forecast of the general fund tax revenues for fiscal year 2006-2007 and beyond. The growth rate for the current fiscal year was set at 9.5 per cent, an increase from the 8.0 per cent projected at their December 16, 2005, meeting. This 1.5 per cent increase represents an additional \$50,000,000 in general funds. The Council on Revenues also revised their growth rate in fiscal year 2006-2007, to 6.5 per cent, 1.0 per cent lower than their earlier prediction of 7.5 per cent. This adjustment accounts for anomalies such as one-time court settlements and higher than anticipated delinquent tax collections that may plateau or decline.

II. Budget Program Highlights

Public Education

Education remains the State's top priority, and providing the necessary tools to educate Hawaii's children has been the focal point for the 2006 legislative session. To this end, your Committee on Conference reaffirms its support for Hawaii's public school system by crafting a supplemental budget that reflects the priorities of both the Board of Education and the Department of Education (DOE).

To address the physical needs of our schools, your Committee on Conference is providing \$15,000,000 in general funds in this supplemental budget. Your Committee on Conference also notes that additional appropriations for the repair and maintenance of our public schools totaling \$195,000,000 in general funds exist in Senate Bill No. 2956, S.D. 2, H.D. 2, C.D. 1. The use of cash as opposed to bonds for these projects is important to note for two reasons. The first is that the funding is available at the start of the fiscal year, rather than having to wait for bonds to be issued and for state officials to make that money available to the DOE. Fixing our schools can begin on the first day of the new fiscal year. The other important result from using cash and not bonds is the lack of debt service payments. The State is enjoying a cash surplus now. This one-time use of state funds to fix our schools will not saddle future generations with debt.

Your Committee on Conference believes that investing in our schools' infrastructure will provide Hawaii's 183,000 public school students with the necessary resources to effectuate positive changes in their education.

With regard to the operational budget for the DOE, the Board of Education approved the DOE's Executive Supplemental Budget requests of \$105,000,000 in general funds for fiscal year 2006-2007 to address many important areas in the public school system. The budget was subsequently revised downward by the Executive Branch to \$82,500,000, creating a shortfall of \$22,500,000 in general funds for the DOE.

Due to an improved budgetary projection, your Committee on Conference was able to mitigate the shortfalls created by the Executive Branch with an additional \$24,500,000 in general funds (totaling \$107,000,000 in operating funds) to further support students by providing them with the necessary resources for higher achievement. In doing so, your Committee on Conference provided:

- \$2,000,000 for additional science textbooks and other science learning materials;
- \$175,000 for Preliminary Standards Achievement Testing or PSAT for all tenth graders;
- \$500,000 for Advanced Placement teacher training, classroom materials, and test costs; and
- \$1,100,000 for the English as a Second Language Learners program.

Another top issue for your Committee on Conference with respect to education was the Reinventing Education Act of 2004. This Act included various mandates that required the DOE to:

- Devise a new budget allocation system using the weighted student formula;
- Convert from a traditional ten-month public school calendar to a single twelve-month statewide calendar;
- Transfer responsibilities from other state agencies to the DOE; and
- Upgrade the technology infrastructure to support a data-driven public education system.

Your Committee on Conference believes that carrying out these mandates is essential and has appropriated \$20,000,000 in general funds to assist schools in transitioning to the use of the weighted student formula by providing these additional funds directly to schools that will provide a foundation funding (a uniform amount to each school depending on school level). This foundation funding amount will prevent any school from losing funds for school year 2006-2007 and will, in fact, provide additional funds to every school. It is important to remember that a major premise of Act 51 was to have funding decisions made by the school principal working with the

school community councils. The funding approach in this budget supports that premise and does not prescribe the funding for specific types of positions.

Furthermore, your Committee on Conference provided \$24,300,000 in general funds for a one-time salary payment adjustment for ten-month employees to convert from a traditional calendar to a single school calendar. Your Committee on Conference also provided \$1,500,000 in general funds for the transfer of responsibilities from the Department of Accounting and General Services and the Department of Human Resources Development to the DOE. Finally, your Committee on Conference provided \$5,000,000 in general funds for technology infrastructure in the areas of human resources, student information, and network and data processing.

Student support services also received additional funding due to increasing enrollment projections and the rising costs in providing these needed services. To ensure that the services are sustained, your Committee on Conference provided additional funding as follows:

- \$1,600,000 for Special Education teachers;
- \$1,700,000 for Occupational Therapy services;
- \$653,186 for Physical Therapy services;
- \$3,700,000 for Speech-Language Pathologist services;
- \$430,000 for skilled nursing services for the medically fragile;
- \$1,700,000 for School-Based Behavioral Health services;
- \$6,900,000 for services for students with Autism Spectrum Disorders; and
- \$275,770 for students serviced in the Comprehensive School Alienation Program.

In addition, your Committee on Conference provided \$13,100,000 in general funds to address the rising cost of electricity and \$9,400,000 in general funds to address shortfalls in student transportation costs.

With the previously mentioned budget surplus available, your Committee on Conference strived to ensure that the surplus was spent wisely by investing in our schools and our infrastructure.

Higher Education

Using recommendations from the Higher Education subject matter committee chairs, your Committee on Conference provided the University of Hawaii (UH) with the flexibility to use Tuition and Fee Special Fund revenues to offset part of their costs. UH is predicting increased revenues from their tuition and fees in excess of \$24,000,000. To aid the UH system in its goal of continuing autonomy, your Committee on Conference has appropriated \$10,000,000 of this increase to defray costs. In addition to providing UH with the flexibility to utilize special fund moneys for operational purposes, your Committee on Conference provided \$26,300,000 in general funds for operational costs.

Your Committee on Conference recognizes that UH is the State's only public institution for higher learning. One of the missions of UH is to serve the public by creating, preserving, and transmitting knowledge in a multi-cultural environment. As Hawaii's labor market continues to prosper, UH will be called upon to educate and prepare students to meet workforce demands. To address these issues, your Committee on Conference approved \$8,700,000 in general funds for various workforce development programs.

The healthcare professional shortage affecting Hawaii raises concerns regarding the State's ability to provide quality medical care in a timely manner. Your Committee on Conference acknowledged these concerns and provided twenty permanent positions and \$945,071 in general funds for nursing and dental hygiene programs statewide to produce healthcare professionals who will address the medical needs of Hawaii. Your Committee on Conference also approved three permanent positions and \$463,306 in special funds for the Hawaii State Center for Nursing to monitor issues that affect Hawaii's nurses.

Hawaii's construction industry has seen major growth in recent years. Numerous projects have been undertaken, while many more projects remain dormant due to a lack of skilled laborers. Your Committee on Conference understands the concerns of the construction industry and provided forty-six permanent positions and \$5,400,000 in general funds to create a Statewide Construction Academy that will address the shortage of skilled laborers by providing students with essential job skills for the construction industry.

Your Committee on Conference also approved twelve permanent positions and \$1,400,000 in general funds to establish a School of Pharmacy at the UH-Hilo campus. Producing locally educated pharmacists will provide excellent career opportunities for students, address Hawaii's need for pharmacists, and provide improved healthcare for Hawaii's residents.

Rapidly developing technologies play an important role in all operations at major academic institutions. In keeping with the vision of creating a world-class institution of higher learning, UH must take advantage of the latest technology and develop its own technological systems to enhance the productivity of its students and faculty. Your Committee on Conference acknowledged the need to utilize technology and provided seventeen permanent information technology positions and \$863,980 in general funds and \$36,000 in special funds to support system-wide projects. Your Committee on Conference further approved the conversion of thirty-eight temporary information technology positions to permanent status to improve the productivity of UH's students and faculty.

Providing quality student services is an essential part of creating a productive academic environment. Your Committee on Conference understands the importance of accessible student services and approved forty-one permanent positions and \$1,500,000 in

general funds and \$93,753 in special funds to increase financial aid services, disability services, and various other necessary student services offered system-wide. Your Committee on Conference also approved an additional \$2,000,000 in special funds for the B Plus program, which provides tuition for low and middle-income students who attend UH's community colleges.

In addition to devoting resources to improve UH's workforce development programs, technological support, and student services, your Committee on Conference also provided an additional \$95,100,000 for capital improvements system-wide. This included \$30,000,000 for capital renewal and deferred maintenance and \$7,469,000 for health, safety, and building code compliance requirements.

Defense

The efforts of all members of our armed forces are greatly appreciated as they defend our freedom and liberties. The sacrifices they make for our nation serve as examples of selflessness and true patriotism. According to a recent United States Pentagon survey, more than one-third of the United States soldiers returning from the war in the Middle East received psychological counseling soon thereafter. With the anticipated return of 2,920 troops from the war, the state Department of Defense will be unable to fully meet its obligation of offering comprehensive services to Hawaii's veterans on a timely basis. To address this concern, your Committee on Conference provided \$39,648 in general funds to hire an additional counselor who will serve veterans across the State.

Your Committee on Conference also finds that the importance of homeland security and disaster preparedness has become magnified due to recent events abroad and locally. To address this issue, your Committee on Conference provided \$4,000,000 to retrofit public buildings with hurricane protective measures and raised the federal funding ceiling by \$50,000,000 to support Hawaii's homeland security and disaster preparedness requirements in the event of a manmade or natural disaster.

Health

Your Committee on Conference remains fully committed to ensuring that essential health related services remain as a top legislative priority. This commitment is affirmed by providing continued support to those most in need of health services. The health related appropriations made by your Committee on Conference ensure appropriate services for high-priority health programs in the State.

With regard to maintaining the health and safety of the public, your Committee on Conference provided funds to meet the statewide needs of the Emergency Medical Services' ambulance services. Your Committee on Conference provided \$8,600,000 in general funds and \$1,600,000 in special funds to continue the improvements for the Emergency Medical Services and its contracting agencies on the islands of Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai. This level of funding not only ensures that the Emergency Medical Services' operational needs are met, but more importantly, it ensures that the infrastructure support is provided for by appropriating the necessary funding to purchase replacement ambulances and additional medical equipment and supplies.

Your Committee on Conference continues to provide full support for the State's mentally ill population and has provided the Department of Health's Adult Mental Health Division with full funding totaling \$7,700,000 in special funds for fiscal year 2006-2007. These funds will provide for community-based contract services and for central services and administrative cost assessments. In addition, your Committee on Conference provided \$578,144 in general funds for the Hawaii State Hospital to cover the increasing costs of pharmaceutical drugs. Your Committee on Conference also provided \$60,000 in general funds for an overhead paging system to allow a tie-in between the Guensberg and Cooke buildings with the rest of the Hawaii State Hospital, which should allow for a single paging system throughout the Hawaii State Hospital.

To provide for the increase in the number of individuals with developmental disabilities admitted to the Home and Community-based Waiver Services, your Committee on Conference fully funded the Developmental Disabilities Division by providing an additional \$5,000,000 in general funds to meet the state matching requirements under the federal Title XIX (Home and Community-based Waiver Services). Your Committee on Conference also provided \$51,500,000 in interdepartmental transfer funds to establish the ceiling for the Medicaid Home and Community-based Waiver Services Program to allow the Title XIX program to collect federal funds received as reimbursements. Further, your Committee on Conference provided \$169,000 in general funds for on-going maintenance and grounds support for the Waimano facility.

Your Committee on Conference commends the Hawaii Health Systems Corporation for its continued collaboration with the Department of Human Services. Their work resulted in the final approval from the Centers of Medicare and Medicaid Services, to allow the State to draw down up to \$15,000,000 in federal funds under the federal Medicaid 1115 Waiver Program (Hawaii QUEST Demonstration Project) to reimburse Hawaii's hospitals for uncompensated care. Your Committee on Conference also provided an additional \$1,500,000 in general funds to fund primary care services for the uninsured throughout the State.

Your Committee on Conference expresses concern over the proposed retooling of the Healthy Start Program within the Family Health Services Division. During the last legislative session, your Committee on Conference included a budget proviso containing specific directives to assist the Healthy Start Program in retooling its delivery of services, which appeared to be outdated and in dire need of change. However, your Committee on Conference found that, rather than retooling the Healthy Start Program, only minor, superficial changes were made to the program. Specifically, service providers were asked, for example, to cut expenditures by withholding billing services. This effort by the Healthy Start Program appears to be a short-term solution and only serves to frustrate the providers. To this end, your Committee on Conference has included another budget proviso in this supplemental budget requesting that the Healthy Start Program focus its efforts on reevaluating, from the ground up, its entire program, with a focus on revamping its current delivery of services.

Your Committee on Conference also supported the Deposit Beverage Container Program attached to the Department of Health's Solid and Hazardous Waste Branch by converting the six temporary special-funded positions to permanent status. Your Committee on Conference also established four new special-funded permanent positions to provide the Deposit Beverage Container Program with adequate support to improve the overall effectiveness of the program as well as to safeguard against fraud. Your Committee on Conference affirmed its support of the Wastewater Branch by providing \$38,000,000 to the Water Pollution Control Revolving Fund to allow the program to process its loans without delays or interruptions, as required by Title VI of the Water Quality Act of 1987. Your

Committee on Conference also provided the Safe Drinking Water Branch with \$28,700,000 for the Drinking Water Treatment Revolving Fund. The ceiling increase will also allow funds to be made available to the counties for the upgrading of their water systems.

Human Services

Your Committee on Conference recognizes the efforts of the Department of Human Services to provide critical services to those least able to provide for themselves.

Your Committee on Conference finds that a sign of the strength of Hawaii's economy is the Federal Medical Assistance Percentage rate, which annually compares the State's average per capita income with the national average income and adjusts the federal reimbursement rate accordingly. States with a higher per capita income receive a lower reimbursement. In the upcoming fiscal year, the rate for Hawaii will decrease from 58.81 per cent to 57.55 per cent, resulting in a loss of \$6,900,000 in federal funds for the State. As such, your Committee on Conference has provided \$6,800,000 in general funds for fiscal year 2006-2007 to cover this decrease in funding.

Your Committee on Conference also finds that, despite the growth of Hawaii's economy, the number of individuals who lack adequate medical coverage has increased. In particular, the QUEST program has seen a dramatic increase in enrollment with its actual 2006 enrollment exceeding its budgeted projections. One reason for this spike in enrollment is an increase in the number of persons from countries subject to a Compact of Free Association who have come to Hawaii seeking medical treatment. The Department of Human Services projects a 29.6 per cent increase in QUEST expenditures over the budgeted base amount for these clients for fiscal year 2006-2007 and expects the increase in enrollment to continue. Recognizing the seriousness of this problem, your Committee on Conference has provided \$10,000,000 in general funds to cover the higher than expected enrollment rate for QUEST and \$7,000,000 in general funds for a one-time payment of the current Medicaid carry-over debt.

Your Committee on Conference is concerned with the State's Temporary Assistance for Needy Families (TANF) program. These concerns stem from changes made by the federal government as well as the Administration's implementation of the TANF program. Recent changes by the federal government will establish more stringent qualifications on the work participation requirements of the TANF program. In addition, states will be required to comply with these new qualifications by October 1, 2006. The Congressional Budget Office estimates that this will cost states approximately \$3,200,000,000.

In addition to the external pressure of the impending federal changes, the local administration of the State's TANF program also lacks accountability. In Auditor's Report 06-02, the State Auditor found that:

[T]he department's decision-making is guided by the availability of federal funding rather than a comprehensive plan and coherent strategies.

In an effort to curtail the spending of taxpayer dollars without plans, strategies, or measures of effectiveness, both the House and Senate did not fully concur with the Department of Human Service's request to increase funding by \$35,000,000. Instead, an increase of approximately \$10,000,000 was included in both drafts.

When the amounts for TANF programs were revealed in the House and Senate drafts of the budget, the Department of Human Services issued memorandums indicating that it was going to cut funding to providers. Your Committee on Conference is puzzled as to why the Department of Human Services would cut funding when both the House and Senate versions of the budget contained an additional \$10,000,000 for the Department of Human Services. After lengthy discussions with providers, your Committee on Conference has decided to provide a temporary increase in federal TANF expenditures. This increase will mean that, in addition to the \$70,000,000 in general funds spent on TANF programs every year, over \$131,000,000 in federal funds will be provided in fiscal year 2006-2007.

However, your Committee on Conference cautions that this sum of money will not be available indefinitely. Assuming that Hawaii avoids penalties, the federal government provides \$98,000,000 a year in federal TANF funding. The State is able to spend more than its annual allotment because it currently has a reserve of approximately \$113,000,000, as of October 2005. By spending more than the \$98,000,000 that Hawaii receives every year from the federal government, the TANF program is eating into its reserve. Fiscal prudence dictates that spending from the reserve should be closely monitored before it disappears.

Your Committee on Conference urges the Department of Human Services and all TANF service providers to consider the dwindling reserve as well as the changes to the program on the federal level. Drastic changes will need to be made to the State's TANF program, and those changes will have to occur sooner rather than later. The federal government is mandating that all states shift their focus toward work participation to move the population from welfare assistance recipients to gainfully employed members of society. The level of TANF spending provided for in the Conference Draft of the budget is intended to be one-time only, to aid the Department of Human Services and providers in transitioning to the new federal requirements, as well as to wean them from spending TANF reserve funds.

Finally, in February of 2006, a settlement was reached with the United States Department of Justice regarding the Hawaii Youth Correctional Facility. The State entered into a Memorandum of Agreement to address the key issues related to the facility, such as more comprehensive training for youth correctional officers and improved access to medical and mental health care for youth in the facility. Recognizing the time-sensitive nature of this issue, your Committee on Conference provided \$4,100,000 in general funds for fiscal year 2006-2007 for additional personnel, equipment, and other current expenses necessary for compliance with the Memorandum of Agreement.

With respect to affordable housing, your Committee on Conference finds that, in this current economic boom, it has become increasingly difficult for the homeless to find permanent housing. Although your Committee on Conference did not provide the \$20,000,000 requested by the Governor and present in both the House and Senate drafts of the budget to address services and transitional housing for the homeless in the supplemental budget, your Committee on Conference notes that these appropriations are present in House Bill No. 2176, H.D. 2, S.D. 2, C.D. 1.

Land and Natural Resources

Over the past few fiscal bienniums, the Department of Land and Natural Resources (DLNR) has seen a decline in funding due in large part to scarce state revenues. As the State focused its meager resources on the most critical of services, DLNR proceeded as best as it could under the circumstances. To rectify this situation, your Committee on Conference provided a department-wide total of 36.50 permanent and 36.50 temporary positions and providing \$3,300,000 in general, special, and federal funds.

Your Committee on Conference also finds that, with a more stable source of funding provided by the Legacy Lands Act, DLNR has additional leverage to act upon opportunities to acquire interests or rights in land having value as a resource to the State. To this end, your Committee on Conference provided \$4,000,000 in special funds. Your Committee on Conference, however, also wants to ensure transparency in the process of acquiring lands and recommends support for Senate Bill No. 3077, in conjunction with the increase in the spending ceiling for the Land Conservation Fund. Senate Bill No. 3077 proposes to create a Legacy Land Conservation Commission to assist the Department and the Board of Land and Natural Resources in administering the Land Conservation Fund.

Your Committee on Conference finds that illegal activities, including drug activities, vandalism, drinking, and theft at various state parks and small boat harbors strains DLNR's already limited human resources. Although security is needed at these facilities, your Committee on Conference finds that earlier proposals to contract with private security services to prevent these kinds of illicit activities may not be as effective as hiring an actual Division of Conservation and Resources Enforcement (DOCARE) Officer. In light of this, your Committee on Conference authorized the hiring of eleven additional enforcement officers statewide and \$389,664 in general funds in lieu of funding private security contracts. In addition, your Committee on Conference provided \$91,680 in general funds for two positions for the Conservation and Resources Enforcement Division to collect and retrieve data and information that are critical to enforcement functions. Furthermore, your Committee on Conference provided:

- \$88,000 in general funds for eight all-terrain vehicles to increase the Conservation and Resources Enforcement Division's ability to patrol difficult-to-reach areas in state parks;
- \$155,000 in general funds for repair and maintenance, fuel, and supplies for patrol boats; and
- \$70,000 in general funds for survey materials, services for measures of effectiveness, planning, and studies to improve the division's functions.

In order to help DOCARE improve its performance through better management and strategic use of resources, your Committee on Conference has provided funds to develop strategic plans at the island branch level involving all DOCARE employees, consider the enforcement needs of all divisions, and integrate the assistance of other agencies. In addition to eleven new conservation officers, your Committee on Conference expects to see DOCARE demonstrate implementation of the recommendations made by State Auditor in Auditor's Report 06-01 with measurable improvements in performance.

Your Committee on Conference finds that Hawaii's rich cultural resources and unique ecosystems are constantly besieged by invasive species, wildfires, soil erosion, predatory and feral animals, and public overuse. To prevent the further degradation of the State's fragile environment, your Committee on Conference provided full funding for one permanent and twenty temporary positions and \$4,700,000 in special funds for this purpose.

Coqui frog infestations on the Big Island have grown to five thousand acres, and the community has requested assistance to support volunteer efforts to rid the island of these disruptive pests. Infestations are under control on Maui (one hundred fifty acres), Oahu (fourteen acres), and Kauai (fifteen acres), where complete eradication is now the target. Without significantly reducing Big Island infestations, however, reinfestations of the other island and future restrictions on Hawaii's agricultural exports are likely. Your Committee on Conference has approved \$2,000,000 for statewide control and eradication, with the focus on the Big Island. In addition to the intrinsic benefits of controlling coqui frogs, this partnership between government, community, and business entities will develop models for cooperative efforts against future invasive species infestations.

Agriculture

Controlling and eradicating invasive species after infestation is time-consuming and much more costly than prevention. The federal government employs an inspection staff of four hundred fifty to examine goods shipped from Hawaii to the mainland. In contrast, Hawaii's Department of Agriculture (DOA) only employs seventy-five inspectors to protect Hawaii from invasive species that may arrive via domestic and foreign imports. Based on recent experimental risk assessments at Kahului and Honolulu airports, the DOA currently detects only one out of every one hundred invasive species that would be detected with strategic use of additional resources. The potential harm to Hawaii ranges in the hundreds of millions of dollars if species such as the red imported fire ant, brown tree snake, or biting midges are allowed into our State.

Based on clear scientific evidence collected by the DOA and its track record of successfully partnering with other entities, your Committee on Conference has approved a total of \$2,953,412 to hire an additional fifty-eight inspection positions. The department's Hawaii biosecurity plan envisions building an adequately staffed joint state/federal inspection facility to intercept more invasive species at airports and harbors and to rapidly respond if infestations occur.

Public Safety

In 2005, the United States Department of Justice evaluated the mental health services at Oahu Community Correctional Center. Although the report's findings are not yet public, your Committee on Conference believes that it would be prudent to take a proactive approach and address concerns reported in the evaluator's exit interviews. To this end, your Committee on Conference provided a total of twenty-six permanent positions and \$1,500,000 in general funds to ensure that inmates suffering from mental illnesses receive appropriate mental health treatment.

The overcrowded and deteriorated condition of the State's correctional facilities continues to be an important issue for your Committee on Conference. In order to help alleviate this situation, your Committee on Conference employed both temporary and long-term strategies. To address the immediate situation, your Committee on Conference provided an additional \$11,700,000 million in general funds for fiscal year 2006-2007 to send six hundred seventy-six additional inmates to the mainland, including two hundred fifty inmates who will be temporarily displaced during fire safety equipment repairs at Halawa Correctional Facility. In order to address the long-term physical condition of the State's existing correctional facilities, your Committee on Conference provided \$38,985,000 for various capital improvements to enable the Department of Public Safety to proceed with projects that will directly affect the health and safety of inmates and staff.

Your Committee on Conference strongly believes that housing inmates on the mainland should be undertaken only as a short-term solution and urges the Executive Branch to develop a plan that provides for the in-state incarceration of all inmates convicted and sentenced to imprisonment as soon as possible. In the meantime, 1,829 inmates are currently housed in mainland facilities, and the State anticipates sending more inmates in the next fiscal year. Accordingly, your Committee on Conference feels an obligation to ensure that the terms of our prison contracts are upheld and enforced and that prisoners receive appropriate treatment. As such, your Committee on Conference authorized ten positions to monitor all contracts and provide case management for all Hawaii inmates situated on the mainland.

Business, Economic Development, and Tourism

Your Committee on Conference provided \$182,322 in special funds for two temporary positions for the Aloha Tower Development Corporation in order to work with the Department of Transportation on the Hawaii Harbors Task Force Project. However, these positions and funds are intended to be provided for fiscal year 2006-2007 only.

With respect to the Hawaii Convention Center, your Committee on Conference provided \$1,000,000 in general funds and \$2,000,000 in special funds in order to address much-needed repair and maintenance concerns. Your Committee on Conference further understands the importance of tourism for the State and has provided \$250,000 in special funds for the Department of Business, Economic Development, and Tourism's Economic Planning and Research Program to conduct visitor surveys that provide the State with vital information on visitor statistics.

Budget and Finance

As a result of the June 2005 merger between PeopleSoft and Oracle, the Employer-Union Trust Fund was left without technical support for its current PeopleSoft operating software. Your Committee on Conference appreciates the need for continued maintenance and support of the current operating system of the Employer-Union Trust Fund. However, your Committee on Conference feels that providing funds solely for the purpose of maintenance and support of the system would only provide a temporary solution to this problem. Thus, to provide a more permanent and long-term solution to this problem, your Committee on Conference has provided \$1,250,000 in trust funds for fiscal year 2006-2007. The funds will provide for continued upkeep of the current system as well as allow the Employer-Union Trust Fund to seek out alternative operating systems.

Your Committee on Conference finds that, over the past five years, the number of cases handled by the Office of the Public Defender has increased statewide. This workload increase has caused many problems, including understaffing at the Office's Kona Branch on the island of Hawaii. Your Committee on Conference strongly believes in providing legal services to the citizens of Hawaii and has authorized an additional Deputy Public Defender position and provided \$92,152 in general funds for fiscal year 2006-2007 for this purpose. Your Committee on Conference also allocated \$3,000,000 in general funds to provide funds to pay for the increased cost of attorney fees for court appointed counsel as mandated by Act 86, Session Laws of Hawaii 2005.

Transportation

In the aftermath of the September 11, 2001, attacks, the United States Transportation and Security Administration and the Federal Aviation Authority have implemented stringent federal laws that placed additional requirements on state airports nationwide. These federal requirements have resulted in funding shortfalls for security services at airports across the State for fiscal year 2006-2007. Although your Committee on Conference provided the Department of Transportation (DOT) with its request of \$6,800,000 in special funds for security services, your Committee on Conference is concerned with the transfer of this responsibility from the federal to state governments, especially under threat of federal sanctions. Your Committee on Conference believes that the federal government must shoulder the bulk of the cost for federally mandated security measures that are beyond the State's ability to maintain on a long-term basis.

Your Committee on Conference also provided \$6,000,000 in special funds as an interim measure to replace the Wiki-Wiki buses at the Honolulu International Airport. Your Committee on Conference agreed that it would be more cost-effective to replace the entire bus fleet, given the lack of bus parts and the high cost of overhauling the existing decade-old fleet.

Your Committee on Conference finds that the Highways Division of the DOT is undertaking a significant endeavor with its proposed implementation of a new financial management system. Eighty per cent of the funding for the system will be provided by the federal government, while the DOT assumes the remaining twenty per cent cost. Your Committee on Conference supports the Department of Transportation's efforts to strengthen its accountability over public funds and has provided \$1,900,000 in special and federal funds for Phase II of the project.

In addition, the latest surge in fuel costs, coupled with increased consumption, resulted in shortfalls in electricity costs for the DOT. Your Committee on Conference provided \$3,000,000 in special funds to address the funding shortfall in electricity for airports and harbors statewide. Your Committee on Conference also provided \$7,500,000 in federal funds for facility improvements to the ferry commuter system on Maui.

Your Committee on Conference notes that the federal funding increase that the Executive Branch requested for the statewide commuter Van Pool program may not be feasible over the long run. The program was initiated with the intent of eventually transferring it to the counties, but the counties appear unwilling to assume that responsibility, citing other higher transit priorities. Although your Committee on Conference provided \$290,000 in federal funds for the program, your Committee on Conference urges caution and suggests reviewing this issue in the upcoming fiscal biennium.

Finally, your Committee on Conference agreed to the Executive Branch's request of \$5,000,000 in federal funds for non-urban public transportation systems in the counties of Hawaii, Maui, and Kauai.

Federal Reserve

Although the Council on Revenue's future outlook for the State's economy is promising, your Committee on Conference cannot ignore the possibility of fiscal uncertainties, such as looming inflationary pressures, the topping out of the housing market, or increases in energy prices, impacting our economy. On February 15, 2006, Mr. Ben S. Bernanke, Chairman of the Board of Governors of the Federal Reserve, touched upon each of these potential problems, in his *Semiannual Monetary Policy Report to the Congress*. Selected excerpts follow:

Inflation

[T]o an extent greater than we now anticipate, higher energy prices may pass through into the prices of non-energy goods and services or have a persistent effect on inflation expectations.

Housing Market

Given the substantial gains in house prices and the high levels of home construction activity over the past several years, prices and construction could decelerate more rapidly than currently seems likely. Slower growth in home equity, in turn, might lead households to boost their saving and trim their spending relative to current income by more than is now anticipated.

Energy Prices

The possibility of significant further increases in energy prices represents an additional risk to the economy; besides affecting inflation, such increases might also hurt consumer confidence and thereby reduce spending on non-energy goods and services.

Your Committee on Conference has found translating the Federal Reserve's observations into operational decisions both challenging and daunting. This exercise, however, is critical to fashioning a budget that is responsible and cognizant of federal fiscal policies that ultimately influence the State's budgetary programs.

Unfunded Federal Mandates

In addition to the potential slowing of the economy, your Committee on Conference has been mindful of the efforts of President Bush and the Congress of the United States with respect to the federal deficit. As of this writing, the federal deficit is approximately \$371,000,000,000 for fiscal year 2006-2007, and \$335,000,000,000 for fiscal year 2007-2008, according to the non-partisan Congressional Budget Office. Your Committee on Conference recognizes that the deficit may lead to additional cost shifts, including more unfunded mandates for the states.

According to the National Conference of State Legislatures' February 10, 2006, edition of the *Mandate Monitor*, the United States Congress introduced approximately two hundred fifty bills that shift costs to the states, of which sixteen were enacted. Your Committee on Conference anticipates continued cost shifts in education, homeland security, and the Temporary Assistance for Needy Families program. The following are examples of some of these underfunded programs and issues:

- The Individuals with Disabilities Act continues to be underfunded by approximately \$4,000,000,000;
- No Child Left Behind mandates continue to be underfunded;
- The REAL ID Act, a law requiring the Department of Homeland Security to establish standards for state issued driver's licenses and identification cards, contains several intergovernmental mandates. The cost to implement this Act is approximately \$100,000,000 over five years;
- The Deficit Reduction Act cut approximately \$39,000,000,000 from various entitlement and mandatory programs; and
- The Temporary Assistance to Needy Families block grant remains unchanged; however most states will face financial penalties because of changes to work participation requirements.

In addition, there are also a number of federal bills that propose to withhold federal funds from the states if they do not comply with the new requirements for eminent domain, sex offender, and bioterrorism legislation.

The Government Accounting and Standards Board's Statement 45

Another potential cost for all states is the Government Accounting and Standards Board's Statement 45. The Board was organized in 1984 as an operating entity of the Financial Accounting Foundation to establish standards of financial accounting and reporting for state and local governmental entities, and its standards guide the preparation of external financial reports of those entities.

Statement 45 requires all government entities to provide future cost reporting and accounting regarding financial obligations that governments incur when they provide post-employment benefits other than pensions as part of the total compensation for services. Primarily, Statement 45 requires governments to estimate the eventual total costs for providing retiree health insurance benefits on an accrual, rather than a "pay as you go", basis beginning in fiscal year 2007-2008. As a very general example:

Assume that the average employee retires at age 65 and has a 20-year life expectancy. Assume the cost of a family plan for a couple on Medicare is \$10,000 per year. A state will pay and must accrue \$200,000 for that retiree's family plan. If there are 44,000 employees and retirees over that twenty-year span, the liability to that state would be \$8,800,000,000. In Hawaii, the Executive Budget has over 44,000 full-time equivalent employees.

Though Statement 45 will help the states to identify relevant costs and prepare future budgets accordingly, its fiscal impact is expected to be enormous.

III. Conclusion

Despite the strong economic indicators for Hawaii and the Council on Revenues' positive revenue projections, your Committee on Conference recognizes that there may be substantial future costs to the State and has therefore taken a very prudent approach to appropriating financial resources.

Toward this end, your Committee on Conference has studied and learned from the fiscal crises of the past, but looks to the future with optimism, knowing the resources provided in this supplemental budget will be administered fairly and expeditiously by the Executive Branch. While refraining from expending available revenues in a manner that would promote a false ideal of a government that is all things to all people, your Committee on Conference is confident that this supplemental budget will address the needs of the State and provide for the health, safety, and welfare of all its people.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1900, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1900, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Carroll, Chong, Evans, Kawakami, Lee, Magaoay, Nakasone, Nishimoto, Tanaka, Tsuji, Wakai, Yamane, Yamashita, Meyer, Moses, Pine, Stevens.

Managers on the part of the House.

(Representative Tsuji was excused.)

Senators Taniguchi, English, Espero, Fukunaga, Hooser, Inouye, Kanno, Kim, Kokubun, Nishihara, Sakamoto, Tsutsui, Hemmings, Slom and Trimble.

Managers on the part of the Senate.

(Senator Trimble did not concur.)

Conf. Com. Rep. 164-06 on H.B. No. 1280

The purpose of this bill is to require the Center for Conservation Research and Training of the University of Hawaii (Center) to develop and coordinate implementation of watershed management strategies for flood control for at least two of Hawaii's most severely flood-impacted watersheds.

Your Committee on Conference has amended this bill by:

- (1) Combining the development and coordination of the implementation of watershed management strategies and measures for flood control into a single phase;
- (2) Changing the appropriation amount to \$200,000;
- (3) Deleting the requirement for matching funds with federal Environmental Protection Agency moneys;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1280, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1280, H.D. 1, S.D. 2, C.D. 1.

Representatives Kanohe, Carroll and Meyer.

Managers on the part of the House.

Senators Kokubun, Hee, Taniguchi and Trimble.

Managers on the part of the Senate.

Conf. Com. Rep. 165-06 on H.B. No. 1889

The purpose of this bill is to improve Hawaii's ability to promote economic, social, cultural, and scientific relations with other countries by establishing within the Department of Business, Economic Development, and Tourism, an Office of International Affairs.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision for an executive director position to head the Office of International Affairs;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1889, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1889, H.D. 1, S.D. 2, C.D. 1.

Representatives Hale, Karamatsu, Wakai and Thielen.
Managers on the part of the House.

Senators English, Taniguchi and Hooser.
Managers on the part of the Senate.
(Senator Hooser was excused.)

Conf. Com. Rep. 166-06 on H.B. No. 1879

The purpose of this bill is to better serve Hawaii's veterans by appropriating funds for the Office of Veterans' Services to publish the Hawaii Veterans' Newsletter.

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation amount to \$50,000;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1879, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1879, H.D. 1, S.D. 1, C.D. 1.

Representatives Ito, Chong, Tanaka and Moses.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Hooser, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Hooser and Hogue were excused.)

Conf. Com. Rep. 167-06 on H.B. No. 3259

The purpose of this bill is to improve the State's ability to address the dental-health crisis it faces regarding QUEST-eligible adults and children, the developmentally disabled, and the uninsured by appropriating funds for community-based dental health clinics that are operated by federally qualified health centers or other community-based organizations.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$90,000;
- (2) Providing that the appropriation is also to be used for an assessment of the status of the continuum of dental care by a school of dentistry accredited by the American Dental Association;
- (3) Providing that the continuum of dental care should include a lead primary care dentist trained in the treatment of underserved populations in addition to individuals with disabilities;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3259, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3259, H.D. 1, S.D. 2, C.D. 1.

Representatives Arakaki, Sonson, Kawakami and Pine.

Managers on the part of the House.
(Representative Pine was excused.)

Senators Baker, Chun Oakland, Taniguchi, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 168-06 on H.B. No. 3235

The purpose of this bill is to support Oahu-based symphony music by appropriating funds for the State of Hawaii Endowment Fund, provided that the funds are matched on a dollar-for-dollar basis with private funds.

Your Committee on Conference has amended this measure by:

- (1) Changing the appropriation amount to \$4,000,000;
- (2) Changing its effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for style, clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3235, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3235, H.D. 1, S.D. 1, C.D. 1.

Representatives Chang, Yamashita and Finnegan.
Managers on the part of the House.

Senators Fukunaga, Taniguchi, Ige, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Ige was excused.)

Conf. Com. Rep. 169-06 on H.B. No. 1918

The purpose of this bill is to establish a Commission on Salaries (Commission) to review and recommend the salary of the Governor, Lieutenant Governor, the members of the Legislature, justices and judges of all state courts, the Administrative Director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads of all state departments.

This bill also repeals the Executive Salary Commission and the Judicial Salary Commission.

Your Committee on Conference has amended this bill by:

- (1) Requiring the first Commission to submit its salary recommendations to the Legislature during the regular session of 2007 instead of 2008;
- (2) Providing that any change in salary that becomes effective shall not apply to the Legislature to which the recommendation for the change in salary was submitted;
- (3) Amending sections 26-51, 26-52, 26-53, 26-54, 601-3, 602-2, 602-52, 603-5, and 604-2.5, Hawaii Revised Statutes, to replace references to both the Executive and Judicial Salary Commissions;
- (4) Directing the Commission to also recommend the salary of the department head and deputy of the Department of Defense;
- (5) Deleting the appropriation provision;
- (6) Deleting the effective date of July 1, 3000; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1918, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1918, H.D. 1, S.D. 2, C.D. 1.

Representatives Magaoay, Luke, Yamane and Halford.
Managers on the part of the House.

Senators Hanabusa, Taniguchi, Ihara and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 170-06 on H.B. No. 2626

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the Executive Branch and the Judiciary.

Your Committee on Conference finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2626, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2626, S.D. 1, C.D. 1.

Representatives Takamine, Nakasone and Meyer.
Managers on the part of the House.

Senators Taniguchi, Tsutsui and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 171-06 on H.B. No. 2540

The purpose of this bill is to better serve voters by increasing the number of precinct officials on Election Day by appropriating funds to increase their stipends.

Your Committee on Conference has amended this bill by appropriating \$96,542 to increase stipends for precinct officials.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2540, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2540, H.D. 2, S.D. 2, C.D. 1.

Representatives Luke, Takamine and Stevens.
Managers on the part of the House.
(Representative Stevens was excused.)

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 172-06 on H.B. No. 2051

The purpose of this bill is to determine how Hawaii can best combat and deter human trafficking by establishing the Hawaii Anti-Trafficking Task Force (Task Force) to be responsible for:

- (1) Compiling statutes, rules, and information relating to programs adopted in other states to combat human trafficking;
- (2) Recommending further changes to Hawaii law necessary to prevent human trafficking and support its victims;
- (3) Develop protocol and training;
- (4) Develop interagency procedures to collect and organize data; and
- (5) Engage in consultation with governmental and nongovernmental organizations to advance the purposes of this Act.

This bill also appropriates funds to support the work of the Task Force.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$5,000 to support the work of the Task Force;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2051, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2051, H.D. 1, S.D. 2, C.D. 1.

Representatives Luke, Lee and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 173-06 on H.B. No. 2277

The purpose of this bill is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

Your Committee on Conference has amended this bill by:

- (1) Appropriating funds for five additional claims that have been resolved, totaling \$871,138.59;
- (2) Correcting the appropriation for *Rodenhurst v. State of Hawaii, et al.* from \$31,342.17 to \$31,342.71; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2277, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2277, H.D. 2, S.D. 2, C.D. 1.

Representatives Luke, Takamine and Thielen.
Managers on the part of the House.

Senators Hanabusa, Taniguchi and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 174-06 on H.B. No. 2045

The purpose of this bill is to address Hawaii's current lack of facilities equipped to provide comprehensive prenatal, delivery, and postpartum care to women who have a history of methamphetamine and other substance abuse, including alcohol and tobacco, by creating a pilot perinatal clinic to:

- (1) Facilitate the patient's transition from a troubled, pregnant woman to a coping, capable parent;
- (2) Assess the safety of the home environment for the child; and
- (3) Prevent outplacement and keep families together whenever possible.

Your Committee on Conference has amended this bill by, among other things:

- (1) Inserting a sunset date of June 30, 2009;
- (2) Inserting an appropriation amount of \$400,000;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2045, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2045, H.D. 2, S.D. 1, C.D. 1.

Representatives Arakaki, Waters, Nishimoto and Halford.
Managers on the part of the House.

Senators Baker, Chun Oakland, Taniguchi, Tsutsui and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 175-06 on H.B. No. 1821

The purpose of this bill is to more adequately compensate care home operators by:

- (1) Clarifying that domiciliary care includes care provided in licensed developmental disabilities domiciliary homes, community care foster family homes, and adult foster homes;
- (2) Including community care foster family homes with type I adult residential care homes, licensed developmental disabilities domiciliary homes, and adult foster homes, and establishing a minimum level of care payment of an unspecified amount for those types of care homes;
- (3) Establishing a minimum level of care payment of an unspecified amount for type II adult residential care homes;
- (4) Requiring the Department of Human Services to authorize payments, as allowed by federal law, for certain resident clients of type I and type II facilities receiving Supplemental Security Income (SSI); and
- (5) Appropriating funds to provide for continued operation of developmental disabilities domiciliary homes and apartment complexes for persons with developmental disabilities.

Your Committee on Conference has amended this bill by:

- (1) Expanding the authorization of payments for certain resident clients receiving SSI to include licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes;
- (2) Increasing the maximum level of care payments for type I facilities, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes to \$621.90;
- (3) Increasing the maximum level of care payments for type II facilities to \$729.90;
- (4) Appropriating \$1,375,000 for the state supplemental payments;
- (5) Changing the effective date to July 1, 2006, except for provisions relating to the increase in level of care payments which will take effect on January 1, 2007; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1821, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1821, H.D. 2, S.D. 2, C.D. 1.

Representatives Sonson, Arakaki, Takamine, Carroll and Finnegan.
Managers on the part of the House.

Senators Chun Oakland, Baker, Taniguchi, Fukunaga and Trimble.
Managers on the part of the Senate.
(Senators Fukunaga and Trimble were excused.)

Conf. Com. Rep. 176-06 on S.B. No. 475

The purpose of this measure is to increase the standard of need from the 1993 federal poverty level to the current poverty level, and to remove the limitation on making general assistance payments only from total appropriations for that purpose. This measure will address the increasing cost of living in the State by increasing the standard of need to reflect the current federal poverty level for Hawaii.

Your Committee on Conference has amended this measure to:

- (1) Reflect the 2006 federal poverty level;
- (2) Change the assistance allowance percentages to maintain current spending levels;
- (3) Direct the Department of Human Services to reevaluate the standard of need during the interim following the 2006 Regular Session and report its findings and recommendations to the Legislature; and
- (4) Change the effective date to July 1, 2007, except that the provisions relating to the Department of Human Services reevaluation of the standard of need shall be effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 475, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 475, S.D. 2, H.D. 1, C.D. 1.

Representatives Sonson, Carroll and Finnegan.
Managers on the part of the House.

Senators Chun Oakland, Tsutsui, Taniguchi and Trimble.

Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 177-06 on S.B. No. 2334

The purpose of this measure is to make an emergency appropriation for the Hawaii Youth Correctional Facility.

This measure is necessary to fund needed improvements, remedial measures, and associated overtime costs at the Hawaii Youth Correctional Facility

Your Committee on Conference has amended this measure by changing the effective date to upon its approval and replacing the blank appropriation with a dollar amount.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2334, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2334, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Luke, Takamine and Moses.
Managers on the part of the House.
(Representative Luke was excused.)

Senators Chun Oakland, Hanabusa, Taniguchi, Fukunaga, Ihara and Whalen.
Managers on the part of the Senate.
(Senators Fukunaga and Whalen were excused.)

Conf. Com. Rep. 178-06 on S.B. No. 3253

The purpose of this measure is to establish a joint legislative committee on family caregiving to address the looming care crisis.

This measure will facilitate the development of comprehensive public policy to strengthen support for family caregivers.

Your Committee on Conference has amended this measure by removing the appropriations section, changing the effective date to July 1, 2006, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3253, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3253, S.D. 1, H.D. 1, C.D. 1.

Representatives Sonson, Arakaki, Magaoay, Lee and Halford.
Managers on the part of the House.
(Representative Lee was excused.)

Senators Chun Oakland, Taniguchi, Fukunaga, Ihara and Slom.
Managers on the part of the Senate.
(Senators Fukunaga and Slom were excused.)

Conf. Com. Rep. 179-06 on S.B. No. 2961

The purpose of this bill is to discourage smoking by increasing the tax on cigarettes and to provide funds for the John A. Burns School of Medicine, emergency medical services, trauma care, and community health centers.

This bill increased the tax per cigarette a blank amount over three years and allocated blank percentages of the increased revenues to fund the John A. Burns School of Medicine, community health centers, the emergency medical services special fund, and, if adopted in the Regular Session of 2006, the trauma system special fund.

Your Committee on Conference amended this bill by:

- (1) Establishing the Hawaii cancer research special fund and the community health centers special fund;
- (2) Exempting the Hawaii cancer research special fund, the community health centers special fund, and the emergency medical services special fund from central service expenses and from administrative expenses;
- (3) Inserting the tax amount per cigarette to increase 1.00 cent per year over six years;
- (4) Inserting the amounts in cents to be allocated to each recipient over six years;
- (5) Designating the Hawaii cancer research special fund, the community health centers special fund, the emergency medical services special fund, and the trauma system special fund as the recipients of the revenues; and

- (6) Appropriating \$11,000,000 out of the Hawaii cancer research special fund for research and operating expenses of the Cancer Research Center of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2961, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2961, S.D. 1, H.D. 1, C.D. 1.

Representatives Arakaki, Magaoay, Green, Yamane, Yamashita and Stevens.
Managers on the part of the House.

Senators Baker, Taniguchi, Chun Oakland, Fukunaga and Hemmings.
Managers on the part of the Senate.
(Senator Fukunaga was excused.)

Conf. Com. Rep. 180-06 on S.B. No. 2545

The purpose of this bill is to extend the condominium management dispute resolution program for three years.

Your Committee has amended this bill by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2545, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, Wakai, Cabanilla and Marumoto.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero, Tsutsui and Trimble.
Managers on the part of the Senate.
(Senators Tsutsui and Trimble were excused.)

Conf. Com. Rep. 181-06 on S.B. No. 2150

The purpose of this measure is to provide financial support for the repair and maintenance of the State's small boat harbors by:

- (1) Requiring fifty per cent of the general excise tax revenue received from commercial permit holders in small boat harbors be deposited into the Boating Special Fund under section 248-8, Hawaii Revised Statutes; and
- (2) Prohibiting the transfer of small boat harbors to the counties except as provided by statute.

The dilapidated condition of the small boat harbors in Hawaii can be attributed in large part to an inadequate revenue stream to fund repair and maintenance projects. Your Committee on Conference finds that providing a more adequate revenue stream to fund small boat harbor repair and maintenance projects is an issue that requires further discussion. Your Committee on Conference further finds that the transfer of the operations, administration, and maintenance of the small boat harbors to the various counties can only be done if the transfer is provided by law.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions that requires fifty per cent of the general excise tax revenue received from commercial permit holders in small boat harbors be deposited into the Boating Special Fund under section 248-8, Hawaii Revised Statutes;
- (2) Adding a purpose section;
- (3) Changing the effective date from July 1, 2060 to become effective upon its approval;
- (4) Adding a sunset provision; and
- (5) Making nonsubstantive, technical amendments for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2150, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2150, S.D. 1, H.D. 1, C.D. 1.

Representatives Kanoho, Kawakami, Evans and Stevens.
Managers on the part of the House.

Senators Espero, Kokubun, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 182-06 on S.B. No. 2897

The purpose of this measure is to improve and simplify the procurement process by:

- (1) Requiring small purchase procurements between \$25,000 and \$50,000 to be made:
 - (A) Through an electronic procurement system; and
 - (B) In accordance with established small purchase procurement rules and procedures;
- (2) Exempting the Department of Budget and Finance from the Procurement Code when administering certain types of special purpose revenue bonds;
- (3) Exempting the High Technology Development Corporation from the Procurement Code when administering special facility revenue bonds solely for use by another party; and
- (4) Prohibiting government contracts from requiring construction design professionals to defend the governmental body from negligent acts, errors, or omissions committed by the governmental body.

Special purpose revenue bonds are issued to assist health care facilities, manufacturing enterprises, processing enterprises, industrial enterprises, energy projects, early childhood education and care facilities serving the general public, and private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

Your Committee finds that the exemption from the procurement code is warranted since no public moneys are involved in the issuance of special purpose revenue bonds. In addition, even the fees and costs involved in the issuance of special purpose revenue bonds and the administration of loan programs are borne by the borrower. Vendors, if any, are hired and paid by the borrower. Should the State incur any costs whatsoever in the issuance of special purpose revenue bonds, the borrower is required to reimburse the State for all such amounts.

Your Committee has amended this measure by:

- (1) Deleting the provision for small purchases, as it is contained in S.B. No. 2898, CD1;
- (2) Deleting the language relating to the duty to defend a governmental body, since there is a conflict between the Attorney General's opinion and the design professional's preference; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 3, C.D. 1.

Representatives Karamatsu, Magaoay, Yamashita and Marumoto.
Managers on the part of the House.

Senators Inouye, Taniguchi, Fukunaga and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 183-06 on S.B. No. 2273

The purpose of this measure is to amend the law relating to the employees' retirement system (ERS) to clarify and correct existing language, to conform statutes to current practices, and to include language previously omitted from prior legislation.

Among other things, this measure:

- (1) Establishes a new definition for:
 - (A) "Child or children", to include children living with an ERS member in a parent-child relationship with the member being the guardian or having legal and physical custody over the child or children;
 - (B) "Active member";
 - (C) "Accidental death", to apply to all membership plans; and
 - (D) "Ordinary death", to apply to all membership plans;
- (2) Amends the definition for:
 - (A) "Beneficiary"; and
 - (B) "Retirement allowance";

- (3) Clarifies that the credited service of a contributory plan member who has not vested is forfeited upon termination of service;
- (4) Allows former nonvested contributory plan members whose accumulated contribution balances are more than \$1,000 to withdraw the funds upon their return to service;
- (5) Allows former contributory plan members and returning nonvested contributory plan members whose accumulated contributions total more than \$1,000 to leave their contributions in the system until they reach the age of 62;
- (6) Clarifies the method for calculating the nontax-qualified benefit for highly compensated individuals who had accrued pension benefits prior to July 1, 2004;
- (7) Corrects language in subsection 88-271(a), Hawaii Revised Statutes, to clarify when a class A or B member may elect to become a class C member;
- (8) Clarifies when and under what circumstances beneficiary designations may be changed and when the designations are irrevocable;
- (9) Requires claims for accidental and ordinary death benefits to be made within three years of the member's death;
- (10) Replaces "recklessness" as grounds for disqualification for accidental death benefits under the noncontributory plan with the "wilful negligence" standard of the contributory and hybrid plans;
- (11) Clarifies that accumulated sick leave is not to be included in determining the amount of credited service for vesting purposes;
- (12) Allows a former employee, who has vested in the contributory plan, to withdraw the employee's contributions at any time;
- (13) Allows the board to use limited liability companies as an investment vehicle;
- (14) Clarifies that employers of members called to active duty shall continue to make contributions provided that the member returns to work or dies in military service and that a member who dies on active duty shall accrue service credit until the date of death;
- (15) Clarifies that a member who dies while on active military duty shall receive benefits in the same manner as if the member had died while on any other authorized leave without pay;
- (16) Allows for termination of a member's eligibility for benefits under the Servicemen's Act after five years;
- (17) Allows a member who was on active duty outside of the State on February 28, 2006, to have thirty days after the member returns to work to make an election regarding participation in class H service; and
- (18) Requires a member entering or returning to service from March 1, 2006, through June 30, 2006, to make an election to become a class H member within sixty days of entering or returning to service; and
- (19) Changes the June 30, 2006 deadline for members to restore forfeited service credit and claim membership service in order to be eligible for conversion to class H service to an unspecified date to be determined by the board.

Your Committee on Conference finds that amendments to the current statutory law are necessary to improve and streamline the ERS. This measure will help to clarify and augment the system to enable the ERS to provide and maintain a quality pension system for public employees in Hawaii.

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

- (1) Ensuring that the appropriate effective dates are applied to each specific amendment; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and to reflect proper drafting style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2273, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2273, S.D. 2, H.D. 1, C.D. 1.

Representatives Caldwell, Nakasone and Meyer.
Managers on the part of the House.

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

Conf. Com. Rep. 184-06 on S.B. No. 965

The purpose of this bill is to amend Hawaii's electronic surveillance law by, among other things:

- (1) Deleting the requirement that an applicant for an intercept order appear at an in camera adversary hearing on the application and that the judge appoint independent counsel to oppose the application;
- (2) Establishing a surveillance review unit in the Department of the Attorney General to review all applications for interception of wire, oral, or electronic communications;
- (3) Requiring that a written memorandum from the unit deputy Attorney General accompany each application for an intercept order, with a recommendation to approve or disapprove the application;
- (4) Protecting applications and orders from disclosure absent a showing of good cause;
- (5) Making it a class C felony for any person to intentionally disclose the contents of any intercepted communication with intent to interfere with a criminal investigation;
- (6) Allowing the Attorney General to seek an injunction against any illegal interception of communication; and
- (7) Requiring annual reports to the Legislature concerning pen register orders and orders for trap and trace devices.

Your Committee on Conference has amended this measure to:

- (1) Modify section 641-13, Hawaii Revised Statutes, to provide for an appeal from a denial of an intercept order;
- (2) Insert language to take into account installation of tracking devices which are installed by or with the consent of the owner, such as a global position system like On-Star;
- (3) Rephrase language that addresses *State v. Lo*, 66 Haw. 653 (1983);
- (4) Delete the provision that explicitly authorizes a person to disclose an illegally intercepted communication in the course of publication of truthful information of public concern;
- (5) Add distribution of dangerous, harmful or detrimental drugs and conspiracy to commit murder, kidnapping, felony criminal property damage, or distribution of dangerous, harmful or detrimental drugs to the list of predicate crimes that do not require an organized crime component;
- (6) Add money laundering as a crime for which interception can be authorized when connected with organized crime;
- (7) Insert language to prohibit the use of wiretap evidence in the State's case in chief if the highest grade of offense charged is a misdemeanor;
- (8) Add language to prohibit the contents of wire, oral, or electronic communication and evidence derived therefrom from being used in court proceedings if the communication or evidence was gathered in violation of the electronic surveillance law;
- (9) Insert an exception to the requirements of an application for an order authorizing or approving an interception of a wire, oral, or electronic communication relating to the specification of the location of the facilities from which the communication is to be intercepted;
- (10) State that an application for an order authorizing or approving an interception of a wire, oral, or electronic communication is to have a full and complete but not unduly technical or complex statement of the facts concerning how the interception is to be accomplished;
- (11) Change the period of extension from fifteen days to thirty days;
- (12) Add a provision allowing the denial of an application as a trigger of the ninety-day period in which to serve an inventory;
- (13) Insert language to give judges more discretion as to what shall be made available for inspection and for disclosure;
- (14) Delete the requirement that inventory include notice of whether the intercepted statements were incriminating;
- (15) Add a provision that allows the government to require a provider or remote computing service to preserve records for ninety days pending a court order;
- (16) Add language to conform various sections to federal law;
- (17) Make technical changes for clarity, style, and conformity; and
- (18) Change the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 965, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 965, S.D. 2, H.D. 1, C.D. 1.

Representatives Luke, Yamane, B. Oshiro and Moses.

Managers on the part of the House.

Senators Hanabusa, Taniguchi, Hee and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 185-06 on S.B. No. 2958

The purpose of the measure is to implement many of the recommendations of the Joint Legislative Housing and Homeless Task Force established pursuant to Act 196, Session Laws of Hawaii 2005. Specifically, this measure:

- (1) Removes the requirement that a housing project, to be considered for transfer to another entity for rehabilitation, must no longer be suitable for its original use and intended for demolition;
- (2) Allows State Rent Supplement Program (SRSP) funds to be used for project-based operating subsidies for state low-income housing units that are transferred to private organizations for management and operation;
- (3) Allows individuals receiving public assistance to qualify as tenants for public housing;
- (4) Extends from June 30, 2007, to June 30, 2009, the use of the Rental Housing Trust Fund (RHTF) to provide grants for rental units for households at or below thirty percent of the median family income;
- (5) Increases from thirty to sixty-five percent the conveyance tax allocation to RHTF;
- (6) Authorizes the lease of parcels deemed suitable for affordable housing at \$1 per year for up to fifty years for self-help development;
- (7) Authorizes the transfer of state lands from the Department of Land and Natural Resources (DLNR) or another state agency to the Hawaii Housing Finance and Development Administration (HHFDA) for affordable housing development;
- (8) Appropriates \$20,000,000 for homeless services and transitional housing programs;
- (9) Appropriates \$10,000,000 to repair and modernize vacant units in federal and state public housing projects;
- (10) Appropriates \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes;
- (11) Sets aside five percent of state low-income public housing units for grandparents who are primary caregivers for grandchildren, and making related amendments;
- (12) Appropriates \$6,800,000 for HHFDA to acquire the Kulana Nani property from Kamehameha Schools and retain the property as affordable housing; and
- (13) Appropriates funds to renovate existing structures at Kalaeloa to provide shelter to homeless veterans.

Your Committee finds that this measure, along with others pending enactment in this session of the legislature, is necessary to provide more meaningful near-term solutions to Hawaii's affordable housing and homeless problem. However, in the interest of avoiding duplication, your Committee has deleted the content of this measure and amended it to include the following provisions without monetary or fiscal impact on the state budget:

- (1) Addition of two new members to the Hawaii Public Housing Authority board of directors;
- (2) Deletion of the requirement that there be an intent to demolish public housing units before they may be decommissioned;
- (3) Authorization that state-owned parcels may be leased for the development of self-help housing; and
- (4) Requirement that public lands identified as suitable for affordable residential development be transferred by the Department of Land and Natural Resources to the Hawaii Housing and Finance Development Administration.

It is further the intent of your Committee that the Housing and Community Development Corporation of Hawaii, or its successor agency, provide by rule that minor children may reside in state housing for elders where a grandparent is the primary caregiver, with a five per cent set-aside of units for that purpose.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2958, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2958, S.D. 2, H.D. 1, C.D. 1.

Representatives Kahikina, Takamine, Nishimoto and Pine.
Managers on the part of the House.

Senators Menor, Taniguchi, Baker, Chun Oakland, Espero, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senators Baker, Tsutsui and Whalen were excused.)

Conf. Com. Rep. 186-06 on S.B. No. 819

The purpose of this measure is to amend section 6E-16, Hawaii Revised Statutes by enabling the Department of Land and Natural Resources to:

- (1) Deposit any civil, criminal, and administrative penalties, fines, and other charges collected under chapter 6E, Hawaii Revised Statutes or any rule adopted pursuant to chapter 6E into the Hawaii Historic Preservation Special Fund; and
- (2) Expend money from the fund, subject to legislative authorization, for permanent and temporary staff positions, and to cover administrative and operational costs of the historic preservation program.

The Department of Land and Natural Resources is authorized under chapter 6E to assess penalties, fines, and other administrative charges. Your Committee on Conference finds that depositing collected fines into the Hawaii Historic Preservation Special Fund will allow the Department to improve its ability to administer the state historic preservation program.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020, to taking effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 819, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 819, S.D. 1, H.D. 1, C.D. 1.

Representatives Kanoho, B. Oshiro, Evans and Ching.
Managers on the part of the House.
(Representative B. Oshiro was excused.)

Senators Fukunaga, Taniguchi, English and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 187-06 on S.B. No. 2133

The purpose of this bill is to protect the health and well-being of the residents of Hawaii by establishing a Hawaii Health Authority and a youth suicide early intervention and prevention program and restricting the use of mercury-containing vaccines.

Your Committee has amended this bill by deleting all sections relating to the Hawaii Health Authority and the youth suicide early intervention and prevention program.

Your Committee upon further consideration amended the bill by:

- (1) Establishing the Hawaii health commission and appropriating \$200,000 for operating expenses;
- (2) Changing the effective date by including a sunset date of June 30, 2009; and
- (3) Making technical, non-substantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2133, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2133, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, B. Oshiro, Nishimoto, Green, Waters and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Baker, Tsutsui, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 188-06 on S.B. No. 2502

The purpose of this measure is to continue to provide necessary dental care to eligible elderly, disabled, or medically compromised individuals by appropriating funds for the continued implementation of the Donated Dental Services program in Hawaii.

This measure will enable the Donated Dental Services program to continue to provide dental care to elderly or disabled people in Hawaii who otherwise would have little or no access to dental care.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006, and by replacing the blank appropriation with a dollar amount.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2502, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2502, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Nishimoto and Halford.
Managers on the part of the House.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senators Fukunaga and Trimble were excused.)

Conf. Com. Rep. 189-06 on S.B. No. 2143

The purpose of this bill is to establish a system of licensure for the money transmitter industry in Hawaii and to prohibit money transmission from being used to facilitate illegal activities.

Your Committee has amended this measure by:

- (1) Adding a section that allows the Commissioner of Financial Institutions to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, to implement this bill;
- (2) Making technical, nonsubstantive amendments for clarity and style; and
- (3) Changing the effective date from "July 1, 2050" to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2143, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2143, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Luke, Evans and Marumoto.
Managers on the part of the House.

Senators Menor, Taniguchi, Baker and Slom.
Managers on the part of the Senate.
(Senator Baker was excused.)

Conf. Com. Rep. 190-06 on S.B. No. 2484

The purpose of this measure is to appropriate funds for the installation of two vog-monitoring stations, one at Mountain View and one at Pahala on the island of Hawaii.

Your Committee on Conference finds that additional monitoring stations are necessary to alert thousands of residents in the Puna district who are affected by significant amounts of vog emissions. Accordingly, this measure makes an appropriation to the Department of Health for two additional vog-monitoring stations, one in Mountain View and one in Pahala.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$150,000;
- (2) Clarifying that one vog-monitoring station is to be placed in Mountain View and one in Pahala, or at any alternate location as determined by the Department of Health; and
- (3) Changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2484, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2484, S.D. 1, H.D. 1, C.D. 1.

Representatives Morita, Evans and Pine.
Managers on the part of the House.

Senators Kokubun, English, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 191-06 on S.B. No. 2480

The purpose of this measure is to appropriate funds to conduct a study on the feasibility of constructing a wastewater treatment facility for Kapoho Vacationland Estates and Farmplots and public restrooms at the Wai O Pae Marine Life Conservation District on the island of Hawaii.

Your Committees find that the Kapoho and Vacationland subdivisions rely primarily on cesspools and septic tanks as a means of wastewater disposal. Due to the high groundwater table and close proximity to valuable nearshore water and porous ground formations, it is suspected that wastewater from these communities may be impacting the nearshore waters. This measure requires a feasibility study to determine if a wastewater treatment facility for the area and public restrooms for the marine life conservation district are appropriate.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriation amount of \$150,000;
- (2) Making the measure effective on July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2480, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2480, S.D. 1, H.D. 1, C.D. 1.

Representatives Morita, Evans and Pine.
Managers on the part of the House.

Senators Kokubun, English, Taniguchi and Hemmings.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 192-06 on S.B. No. 2504

The purpose of this bill is to require the State to reimburse the counties for issuing parking placards to persons with disabilities.

This bill will enable the counties to be reimbursed by the State at the rate of \$12 per unit for issuing parking placards to persons with disabilities. The auditor will conduct a cost analysis of this reimbursement to the counties.

Your Committee on Conference amended this bill by changing the effective date to July 1, 2006, by inserting a dollar amount into the blank appropriation, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2504, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2504, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Souki, Lee and Moses.
Managers on the part of the House.
(Representative Souki was excused.)

Senators Baker, Ige, Tsutsui, Chun Oakland, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 193-06 on S.B. No. 3090

The purpose of this measure is to require the Director of Labor and Industrial Relations, with input from interested stakeholders in the workers' compensation system, to establish standardized forms for medical service providers to use when reporting on and billing for injuries compensable under workers' compensation law.

Your Committee on Conference finds that in facilitating the filing of workers' compensation claims, more can be done to provide uniformity, greater clarity, and efficiency in the delivery of medical services to injured employees and payment to the providers. The current lack of uniformity in the filing of paperwork by providers often results in the employer's denial of payment for services without an effective method for the employee to determine the basis for denial. Consequently, denials necessitate the filing of additional paperwork and further delay, or eliminate the receipt of payment for medical services from the employer's insurer. The use of standardized forms will help to clearly identify the necessary information for proper determinations of the need for care and the type of care that satisfies medical reporting requirements. These forms must be developed by DLIR with input from interested stakeholders in the workers' compensation system, including insurers, providers, employers, and employees, in order to better address the needs of all parties involved and be truly helpful in streamlining the workers' compensation system.

Your Committee on Conference understands that the development and use of electronic standardized forms would also prove extremely helpful to streamlining the system; however, the initial development of the necessary forms is a major first step in improving the efficiency of the workers' compensation system. The issue of electronically posting and filing of standardized forms can still be addressed at a later time.

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

- (1) Changing the effective date of the Act to July 1, 2006; and
- (2) Making technical, nonsubstantive changes to reflect proper drafting style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3090, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3090, S.D. 2, H.D. 1, C.D. 1.

Representatives Caldwell, Nakasone and Meyer.
Managers on the part of the House.

Senators Kanno, Taniguchi and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 194-06 on S.B. No. 3270

The purpose of this bill is to provide cost-effective care for Hawaii residents who are uninsured, while at the same time ensuring that the community health center system remains financially viable and stable in the face of a growing population of uninsured.

This bill statutorily requires that federally qualified health centers and rural health clinics be reimbursed in accordance with relevant sections of the Social Security Act. Additionally, this bill appropriates funds to the Department of Health for direct medical care to the uninsured.

Your Committee on Conference amended this bill by:

- (1) Inserting 1.75 percent as the cost threshold at which reimbursement rates paid to federally qualified health centers may be adjusted if exceeded;
- (2) Changing the effective date to July 1, 2006;
- (3) Inserting an appropriation amount of \$2,000,000; and
- (4) Making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3270, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3270, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Sonson, Lee and Halford.
Managers on the part of the House.

Senators Baker, Chun Oakland, Taniguchi, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 195-06 on S.B. No. 2214

The purpose of this measure is to establish a civil defense emergency preparedness special fund and a Prepared Emergency Response Plan Commission with enumerated duties.

Your Committee finds that the State needs to significantly improve its emergency preparedness program for major disasters and to accelerate response and recovery operations during and after disasters. This measure represents the priority concerns of the State Civil Defense.

Civil defense hazards and disasters include hurricanes, flash floods, tsunamis, earthquakes, volcanoes, subsidence of land or landslides; urban fires, power failures, wild fires, hazardous material situations, droughts, aircraft accidents, tornadoes and water spouts, dam failures, radiological incidences, terrorism, and civil disorders.

Emergency and disaster preparedness basically involves continuous planning, effective and efficient response including evacuation, training, and the development of infrastructure and warning systems. To make this happen, coordinated effort and planning are necessary over a broad spectrum of public and private entities, including the state, counties, federal government, national guard, law enforcement, and hospitals. The aim is prevention, protection, response, and recovery.

The State must have a comprehensive emergency preparedness program to mitigate hazards, enhance preparedness for major disasters, and accelerate response and recovery when disaster strikes. The goal is to enhance and fortify the State's ability to save lives and protect property in the event of disaster.

Your Committee has amended this measure by deleting its contents and substituting provisions that would:

- (1) Make appropriations totaling \$9,000,000 for various civil defense programs and activities;
- (2) Change the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2214, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2214, S.D. 2, H.D. 3, C.D. 1.

Representatives Ito, Herkes, Luke, Chong, Tanaka and Moses.
Managers on the part of the House.
(Representatives Herkes and Tanaka were excused.)

Senators Inouye, Sakamoto, Taniguchi, Baker, Espero and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 196-06 on S.B. No. 2461

The purpose of this measure is to make grants for various entities for transportation and housing on the island of Maui.

Your Committee on Conference has amended this measure by replacing its contents with grants to Adult Friends for Youth, the Baby Hui, Hui Malama Learning Center, Maui Economic Opportunity, Inc., Maui Youth and Family Services, Inc., and Global Medilink Technology for various programs.

This measure will enable these organizations to continue providing services to at-risk youth, low-income and teen parents, and people transitioning back into the community after incarceration, and to promote access to dental care.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2461, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2461, S.D. 1, H.D. 1, C.D. 1.

Representatives Kahikina, Nishimoto, Carroll, Tanaka and Halford.
Managers on the part of the House.

Senators Chun Oakland, Menor, Taniguchi, Baker, Kokubun and Tsutsui.
Managers on the part of the Senate.
(Senators Kokubun and Menor were excused.)

Conf. Com. Rep. 197-06 on S.B. No. 3120

The purpose of the measure is to encourage Hawaii residents to pursue post-secondary school education by:

- (1) Establishing a Workforce Development Scholarship Program (Workforce Program) within the University of Hawaii to provide scholarships for Hawaii residents enrolled at a community college campus of the university and who are eligible for need-based federal financial aid;
- (2) Specifying that state funds for all scholarship programs be placed in a separate account within the Student Scholarship and Assistance Fund;
- (3) Appropriating additional funds for the B Plus Scholarship Program; and
- (4) Appropriating funds to establish the Workforce Program.

Your Committee finds that the increases in the university tuition and fee schedule, which take effect in the fall of 2006, will continue to make it difficult for Hawaii's residents to attend the university. Your Committee also finds that the initial appropriation of \$1,500,000 for the B Plus Scholarship Program is not sufficient to enroll a significant proportion of the estimated number of eligible applicants.

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

- (1) Amend the purpose section of the measure;
- (2) Establish the Hawaii state scholars program;
- (3) Transfer the sum of \$500,000 from the University of Hawaii tuition and fees special fund into the student scholarship and assistance special fund, for purposes of funding the Workforce Development Scholarship Program;
- (4) Change the effective date to July 1, 2006; and
- (5) Make technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3120, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3120, S.D. 2, H.D. 1, C.D. 1.

Representatives Waters, Caldwell, Chong and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Hee, Taniguchi, Inouye and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 198-06 on S.B. No. 3035

The purpose of this measure is to ensure that an injured employee who has not resumed work continues to receive temporary total disability (TTD) benefits until the Director of Labor and Industrial Relations renders a decision to terminate such benefits.

Under the current law, an employer may unilaterally terminate an injured employee's TTD benefits upon the belief that an injured employee, who has not returned to work, is in fact able to resume work. Once terminated, benefits can only be reinstated upon the written request of the injured employee contesting the termination and a favorable determination by the Director of Labor and Industrial Relations. Currently, an injured employee who has disputed the termination of TTD benefits must wait three to nine months for a hearing and resolution on the matter. As the workers' compensation system is one that balances the interests of employers and employees by guaranteeing that workers injured on the job receive medical treatment and replacement of lost wages, while employees relinquish their right to sue under most circumstances, medical treatment and payment of TTD benefits should not be capriciously terminated. Therefore, your Committee on Conference believes that this measure is necessary to eliminate the undue hardship imposed by the current law on the injured employee when the injured employee is not working and likely has no other means of income.

Your Committee on Conference finds that concerns on the employer obtaining a credit for voluntary payments made in the form of TTD benefits were already addressed under section 386-52, HRS.

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

- (1) Requiring the director of labor and industrial relations, if rendering a decision that TTD benefits should have been discontinued, to indicate the date after which the TTD benefits should have been discontinued; and
- (2) Making its provisions effective on January 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3035, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3035, S.D. 1, H.D. 1, C.D. 1.

Representatives Caldwell, Nakasone and Halford.
Managers on the part of the House.

Senators Kanno, Taniguchi and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 199-06 on S.B. No. 2505

The purpose of this measure is to protect our youth and to prevent alcohol and substance abuse among Hawaii's children by appropriating funds to extend adolescent school-based substance abuse treatment programs to middle and intermediate schools, with priority given to schools with the greatest need.

This measure will enable the continuation of school-based substance abuse treatment programs for adolescents, as well as providing outreach via classroom presentations and networking with teachers and other school personnel. A school may decline an award of funds for school-based substance abuse treatment programs, in which case, the funds will be reallocated among other middle and intermediate schools.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006, by inserting a dollar amount into the blank appropriation, and by making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2505, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2505, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Takumi, Chong and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Baker, Sakamoto, Tsutsui, Chun Oakland, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senators Taniguchi and Whalen were excused.)

Conf. Com. Rep. 200-06 on S.B. No. 2274

The purpose of this measure is to make the Directors of the Offices of Council Services for the City and County of Honolulu and the County of Maui, if in service on July 1, 2006, class A members of the employees' retirement system (ERS).

The City and County of Honolulu and the County of Maui each maintain an Office of Council Services that provides comprehensive research and reference services for the respective Councils, conducts research for the enactment or consideration of legislation, and serves in an

advisory or consultative capacity and provides clerical and logistical support to the respective Councils, members, and committees. Although no separate offices exist in the County of Hawaii or the County of Kauai, the same services are performed by the clerks' offices for those counties. Currently, the county clerks for the counties of Hawaii and Kauai are allowed to claim membership in the ERS as class A members. However, the Directors of the Offices of Council Services for the City and County of Honolulu and County of Maui are not accorded this same privilege. As these Directors perform the same legislative support functions as the county clerks for the counties of Hawaii and Kauai, they should be provided parity in terms of retirement benefits. This measure will provide the Directors for the Offices of Council Services who are in service in such capacities on July 1, 2006, with class A membership in the ERS.

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

- (1) Clarifying that both Directors of the Offices of Council Services for the City and County of Honolulu and the County of Maui shall be included in class A membership in the ERS; and
- (2) Changing the effective date of the Act to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2274, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2274, S.D. 1, H.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Stevens.
Managers on the part of the House.

Senators Kanno, Taniguchi and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 201-06 on H.B. No. 2778

The purpose of this bill is to require the State and covered entities to provide assistance to limited English proficient persons who are eligible for certain state-provided or state-funded programs. Among other things, this measure:

- (1) Requires the State and covered entities that render services on behalf of the State to ensure meaningful access to services by providing oral and written language services to limited English proficient persons;
- (2) Establishes a Language Access Director position and provides duties and responsibilities;
- (3) Establishes a Language Access Advisory Council (Advisory Council) to advise the Language Access Director; and
- (4) Appropriates general revenues to staff and maintain positions for the office of the Language Access Director and Advisory Council.

Persons who do not speak English as a primary language comprise a significant portion of Hawaii's population. Many of these individuals contribute to our economy, educate their children in our schools, and make valuable contributions to the life of our state. However, many individuals with limited English proficiency sometimes have difficulty obtaining services from state agencies because of their limited ability in the English language. Your Committee on Conference finds that we must strive to ensure that all residents of Hawaii, including non-English speakers and limited-English speakers, enjoy full access to and participation in the life of our community.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a "covered entity" includes persons receiving state financial assistance including grants or other arrangements by which services are rendered on behalf of the State;
- (2) Clarifying that "vital documents" means printed documents that provide "important" rather than just "relevant" information necessary to participate in services, programs, and activities;
- (3) Specifying that each state agency and all covered entities shall take reasonable steps to ensure meaningful access to services, programs, and activities by limited English proficient persons;
- (4) Specifying that each state agency and all covered entities shall provide competent, timely oral language services to limited English proficient persons who seek to access services, programs, or activities;
- (5) Specifying that each state agency and all covered entities shall provide written translation of vital documents to limited English proficient persons who seek to access services, programs, or activities under certain circumstances;
- (6) Requiring each state agency and covered entity to establish a plan for language access;
- (7) Establishing an Office of Language Access within the Department of Labor and Industrial Relations (DLIR) that is headed by an executive director to be known as the Executive Director of the Office of Language Access (Executive Director);
- (8) Establishing the duties of the Executive Director;
- (9) Requiring that each state agency's plan for language access be established in consultation with the Executive Director;

- (10) Requiring state agencies receiving federal financial assistance to file an initial language access plan with the Executive Director no later than July 1, 2007;
- (11) Requiring the language access coordinator of each state agency to implement their language access plan in consultation with the Executive Director;
- (12) Including the Executive Director as a member of the Advisory Council;
- (13) Clarifying that the Advisory Council shall serve in an advisory capacity to the Executive Director;
- (14) Stipulating that the Executive Director submit a written report annually to the Governor and Legislature no later than 20 days prior to the convening of each regular session;
- (15) Inserting an appropriation of \$440,000 for the purposes of staffing and maintaining positions at DLIR for the Office of the Executive Director and Advisory Council;
- (16) Inserting a title of "Language Access" for the new part;
- (17) Deleting reference to establishing a salary for the Executive Director;
- (18) Changing its effective date from July 1, 2050, to July 1, 2006; and
- (19) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2778, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2778, H.D. 2, S.D. 2, C.D. 1.

Representatives Caldwell, Luke, Wakai and Pine.
Managers on the part of the House.

Senators Inouye, Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 202-06 on H.B. No. 2595

The purpose of this bill is strengthen the relationship between inmates and family members by restricting the Department of Public Safety (DPS) from canceling pre-approved and pre-scheduled family visits with inmates.

Your Committee on Conference has amended this bill by:

- (1) Deleting appropriations to DPS for the purposes of retrofitting facilities with non-contact visitation areas and amending the bill accordingly;
- (2) Adding reciprocal beneficiaries to the definition of family members;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2595, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2595, H.D. 1, S.D. 2, C.D. 1.

Representatives Ito, Tanaka, Chong and Moses.
Managers on the part of the House.

Senators Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 203-06 on H.B. No. 1865

The purpose of this bill is to strengthen the financial operations of Hawaii's public school system and help achieve the goals of Act 51, Session Laws of Hawaii 2004, by creating a new chief financial officer position in the Department of Education (DOE) to meet the broad demands of managing DOE's budget and overseeing its financial operations, and a supporting secretary.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$115,000 for the assistant superintendent position to perform the functions of a chief financial officer;
- (2) Inserting an appropriation of \$43,000 for the secretary position to assist the assistant superintendent;
- (3) Changing the effective date to July 1, 2006; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1865, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1865, H.D. 1, S.D. 2, C.D. 1.

Representatives Takumi, Caldwell, Nakasone and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Kanno, Taniguchi, Nishihara and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 204-06 on H.B. No. 1866

The purpose of this bill is to provide the University of Hawaii (UH) and Department of Education (DOE) with autonomous authority over its accounting systems and other purchasing responsibilities and duties until June 30, 2008.

Your Committee on Conference has amended this bill by extending to June 30, 2011, the authority of UH and DOE over their finances.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1866, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1866, H.D. 1, S.D. 2, C.D. 1.

Representatives Takumi, Waters, Karamatsu, Wakai and Finnegan.
Managers on the part of the House.
(Representative Karamatsu was excused.)

Senators Hee, Sakamoto, Inouye, Taniguchi, Baker and Trimble.
Managers on the part of the Senate.
(Senator Baker was excused.)

Conf. Com. Rep. 205-06 on H.B. No. 2692

The purpose of this bill is to enhance the enforcement of Hawaii's prevailing wage law by providing that a violation of Hawaii's prevailing wage law (Chapter 104, Hawaii Revised Statutes (HRS)) arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

Your Committee on Conference finds that under current law, employers must pay prevailing wages to employees working on public works projects. However, lack of information, as well as uncertainty as to what constitutes a public works project, especially a project that is not directly caused by a governmental contracting agency, can and does result in the failure of employers to pay prevailing wages on public work projects. However, your Committee on Conference recognizes that failure to pay prevailing wages may be inadvertent and that penalizing a company for each violation in such cases would be unfair.

Accordingly, your Committee on Conference has amended this measure by replacing its contents with language that ensures that parties involved in public work projects, not directly caused by a governmental contracting agency, comply with Hawaii's prevailing wage law by:

- (1) Making it the responsibility of DLIR to ensure that parties involved in public work projects, not directly caused by a governmental contracting agency, comply with the state prevailing wage law;
- (2) Requiring that any issuance of special purpose revenue bonds (SPRBs) for these projects be promptly reported to DLIR to allow DLIR to carry out its duties of ensuring that projects financed through SPRBs comply with the state prevailing wage law; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2692, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2692, H.D. 1, S.D. 1, C.D. 1.

Representatives Caldwell, Karamatsu, Wakai and Halford.
Managers on the part of the House.

(Representative Karamatsu was excused.)

Senators Kanno, Espero and Taniguchi.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 206-06 on H.B. No. 2153

The purpose of this bill is to provide needed medical services to the people of West Maui by appropriating funds to the Hawaii Health Systems Corporation to contract with a private health provider to provide after-hours outpatient urgent and extended medical care in West Maui.

This bill also improves the safety of our elderly and disabled by requiring that criminal background checks be performed on those people having access to health care facilities and the people being cared for by health care providers.

Your Committees on Conference has amended this bill by:

- (1) Deleting the provisions that required criminal background checks on health care workers;
- (2) Inserting an appropriation of \$300,000;
- (3) Removing the stipulation that the after hours emergency and extended care would begin after 8:00 p.m.;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2153, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2153, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Magaoay, Tanaka and Halford.
Managers on the part of the House.

Senators Baker, Taniguchi, Hanabusa, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senators Hanabusa and Whalen were excused.)

Conf. Com. Rep. 207-06 on H.B. No. 3116

The purpose of this bill is to ensure adequate medical care to all children in Hawaii by establishing a public-private partnership with a mutual benefit society to split the cost of medical insurance for children between the ages of 31 days to 18 years of age.

Your Committee on Conference has amended this bill by inserting an appropriation of \$600,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3116, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3116, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Sonson, Kawakami, Green and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Chun Oakland, Baker, Tsutsui, Taniguchi and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 208-06 on H.B. No. 3056

The purpose of this bill is to restore and rehabilitate the resources of Kawai Nui Marsh (Marsh) in Kailua, Oahu, by resolving the long-standing dispute between the State and the City and County of Honolulu (City) with respect to management responsibilities of the Marsh lands. Among other things, this bill:

- (1) Clarifies the specific parcels to be transferred from the City to the State to enable the State to meet its responsibilities to preserve wetlands within the Marsh;
- (2) Requires the transfer to be completed by September 1, 2006; and
- (3) Appropriates an unspecified sum to the Department of Land and Natural Resources to maintain the Marsh.

Your Committee on Conference finds that the fragile ecosystem of the Marsh is in need of immediate attention to perpetuate this ecological treasure. After meaningful discussions, your Committee on Conference has amended this bill by, among other things:

- (1) Having the State retain title to Parcel 1 of Tax Map Key number 4-2-16, less the flood control levee system which shall be vested in the City;
- (2) Statutorily transferring the parcels and requiring the transfer documents to be completed by July 1, 2007;
- (3) Specifying that the State is not required to maintain any flood control program relating to the Marsh; and
- (4) Appropriating:
 - (A) \$110,000 for the City to maintain and operate portions of the Marsh; and
 - (B) \$40,000 for community organizations supporting existing cultural and ecological programs.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3056, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3056, H.D. 2, S.D. 2, C.D. 1.

Representatives Kanoho, Chong and Thielen.
Managers on the part of the House.

Senators Kokubun, Ige, Taniguchi, English and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 209-06 on H.B. No. 2109

The purpose of this bill is to ensure the coordination and development of fetal alcohol spectrum disorder information, education, policies, and support services statewide by establishing a state fetal alcohol spectrum disorder coordinator position within the Department of Health's Family Health Services division.

Your Committee on Conference has amended this bill by, among other things:

- (1) Inserting an appropriation of \$100,000;
- (2) Changing the effective date to July 1, 2006; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2109, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2109, H.D. 1, S.D. 2, C.D. 1.

Representatives Arakaki, Nishimoto and Halford.
Managers on the part of the House.
(Representative Halford was excused.)

Senators Baker, Taniguchi, Chun Oakland and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 210-06 on H.B. No. 1867

The purpose of this bill is to protect the health and well-being of injured workers by:

- (1) Establishing that, when a dispute exists between an injured employee and the employer or employer's insurer regarding whether medical services should be continued, the injured employee shall continue to receive medical services until the Director of Labor and Industrial Relations (Director) issues a decision on whether the injured employee's medical treatment should be continued; and
- (2) Preventing an employer who believes that an injured employee is able to return to work, but who has yet to return to work, from terminating the employee's Temporary Total Disability (TTD) benefits until a decision is rendered by the Director.

Your Committee on Conference finds that injured employees are sometimes left without medical care in workers' compensation cases while waiting for a decision to be rendered on their medical services benefits. The interruption in medical treatment may cause undue delays in the injured employees' recovery from work injuries. In some cases, the delay in treatment may even exacerbate and permanently aggravate the work-related injuries.

Your Committee on Conference finds that receipt of uninterrupted medical treatment is of particular importance and will allow an injured employee to return to work in a more timely manner.

Accordingly, Your Committee on Conference has amended this measure by:

- (1) Removing the provision that prevents an employer who believes that an injured employee is able to return to work, but who has yet to return to work, from terminating the employee's TTD benefits until a decision is rendered by the Director;
- (2) Inserting language that requires the Director to designate the date after which medical services for a treatment plan are denied should the Director determine that medical services should have been discontinued;
- (3) Allowing an employer or employer's insurer to recover from the claimant's personal health care provider or other appropriate occupation or non-occupational insurer all sums paid for medical services rendered after the date designated by the Director for which medical services should have been discontinued;
- (4) Prohibiting a claimant from being charged for disallowed services;
- (5) Changing the effective date to July 1, 2006; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1867, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1867, H.D. 1, S.D. 2, C.D. 1.

Representatives Caldwell, Herkes, Nakasone and Stevens.
Managers on the part of the House.

Senators Kanno, Taniguchi and Espero.
Managers on the part of the Senate.

Conf. Com. Rep. 211-06 on S.B. No. 218

The purpose of this bill is to appropriate funds to the Department of Health to establish a training stipend program for emergency medical technicians to enroll in a mobile intensive care technician training program.

This bill will help to alleviate the shortage of mobile intensive care technicians in Hawaii by assisting emergency medical technicians who want to advance in their career through a state-qualified mobile intensive care technician training program.

Your Committee on Conference amended this bill by adding in the appropriation amount of \$300,000 and by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 218, S.D. 4, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 218, S.D. 4, H.D. 1, C.D. 1.

Representatives Arakaki, Yamane, Carroll and Halford.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Baker, Tsutsui, Chun Oakland, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 212-06 on S.B. No. 2630

The purpose of this measure is to appropriate funds for the maintenance and operations of developmental disabilities domiciliary homes and apartment complexes.

This measure will provide for the continued operation of these high-quality, community-based residential services for individuals with developmental disabilities.

Your Committee on Conference has amended this measure by:

- (1) Providing for an appropriation in the amount of \$1,200,000;
- (2) Making the measure effective on July 1, 2006; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2630, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2630, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Sonson, Kawakami and Finnegan.
Managers on the part of the House.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senators Fukunaga and Whalen were excused.)

Conf. Com. Rep. 213-06 on S.B. No. 3009

The purpose of this measure is to allow for the change in status of positions that are statutorily exempt from civil service to civil service positions in order to conform to the intent of Act 253, Session Laws of Hawaii 2000.

This measure also:

- (1) Repeals the provision of Act 88, SLH 2001, that required civil service positions of the Hawaii public employees health fund, upon being vacated after July 1, 2003, to become civil service exempt positions;
- (2) Requires and provides parameters for the Department of Human Resources Development (DHRD) to work collaboratively with the Hawaii Government Employees Association to establish a logical, workable, and fair process for converting civil service exempt positions to civil service positions;
- (3) Allows an exempt employee who has occupied the exempt position for at least one year the option to remain an exempt employee upon the position's conversion;
- (4) Requires an exempt employee who has occupied the position for at least one year to be appointed to a civil service position upon its conversion; provided that the employees compensation will be determined according to the applicable collective bargaining agreement without a loss of benefits; and
- (5) Requires the DHRD to submit annual reports to the Legislature on converted civil service positions.

Pursuant Act 253, SLH 2000, the Legislature sought to reduce the number of civil service exempt employees in public service within the State. Within the Act, the DHRD was tasked with annually reporting to the Legislature on the number of civil service exempt employees and on recommendations regarding the necessity of changing the status of those positions. Despite the edict of the Legislature, the conversion of civil service exempt positions since Act 253 was enacted have been few and are long overdue. The conversion of civil service exempt positions to civil service positions is necessary to support a system of fairness within the government. Many civil service exempt employees perform the same duties and functions as civil service employees and have devoted their entire careers to public service, yet they lack the same types of benefits and protections afforded their civil service counterparts. Your Committee on Conference believes that this measure will demonstrate the Legislature's continued efforts in promoting and preserving the intents and purposes of the civil service system.

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

- (1) Removing the amendment to section 269-3, Hawaii Revised Statutes, as this matter is being addressed by another measure;
- (2) Amending the language of Section 21 of the measure to specify that an exempt employee whose positions has been converted shall be appointed to the civil service position; provided that the employee meets the minimum qualification requirements and any other applicable public employment requirements; and
- (3) Including an appropriation in the amount of \$110,064 for two personnel management specialist V positions for DHRD for fiscal year 2006-2007 for the purposes of the Act;
- (4) Changing the effective date of the Act to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3009, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3009, S.D. 2, H.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Halford.
Managers on the part of the House.

Senators Kanno, Taniguchi and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 214-06 on S.B. No. 3101

The purpose of this measure is to develop a comprehensive system of early childhood learning services by refining the recommendations of the Temporary Early Childhood Education task force.

Your Committee on Conference finds that children are born ready-to-learn, with minds that are shaped significantly by experiences and environments they are exposed to in the first five years of life. As such, early learning programs should meet professionally-accepted standards, be staffed by well-trained, appropriately-compensated educators, reflect the cultural needs and diversity unique to Hawaii, and be available to all children who are newly born until they enter kindergarten. To achieve these ends, this measure establishes and appropriates funds for an early learning educational task force, and builds upon the existing framework and services for early childhood learning.

Your Committee has amended this measure by:

- (1) Omitting reference to a quality assurance working group within the early learning educational task force;
- (2) Renaming and amending the duties of the interdepartmental resources working group;
- (3) Enhancing the description of the early learning system plan, which shall be a five-year plan and include a financing schedule;
- (4) Amending task force membership;
- (5) Delineating interdepartmental resources working group membership;
- (6) Having the early childhood educational specialist report to the superintendent of education; and
- (7) Amending appropriation amounts.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3101, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3101, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Caldwell, Takamine and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Sakamoto, Chun Oakland, Taniguchi and Tsutsui.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 215-06 on S.B. No. 2980

The original purpose of this measure was to appropriate funds to increase the number of public high schools participating in the Construction Academy training program, which allows high school students to take classes in various construction trades and earn credit towards an associate degree at an affiliated community college.

Your Committee on Conference finds that the construction academy model represents a unique educational approach and a paradigm shift in content delivery, and provides an educational continuum whereby the community colleges and the Department of Education closely partner with each other to teach dual credit courses in the high schools. Your Committee on Conference has amended this measure to codify the Construction Academy into statute by establishing it in a new part to be added to chapter 305 of the Hawaii Revised Statutes; and to require the Office of the Vice President for Community Colleges to report to the Legislature annually on the status of the program.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2980, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2980, S.D. 2, H.D. 1, C.D. 1.

Representatives Caldwell, Waters, Takumi, Nakasone and Ching.
Managers on the part of the House.
(Representatives Takumi and Ching were excused.)

Senators Sakamoto, Hee, Taniguchi, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 216-06 on S.B. No. 3197

The purpose of this measure is to set and provide moneys for substitute teacher classification and compensation rates that are consistent with those determined by the legislature in 1996, and with the recommendations of the Department of Education (DOE).

The intent of this measure is to provide relief to Hawaii's substitute teachers while the long-standing dispute in *Garner v. Doe* (Civil No. 03-1-000305) and *Kliternick v. Hamamoto* (Civil No. 05-1-0031-01) is being litigated. These lawsuits were filed in 2000, and have been the source of contentious dispute between substitute teachers and the DOE. On December 16, 2005, Judge Karen Ahn ruled that the DOE failed to pay substitute teachers a per diem salary based upon the 1996 formula enacted by the Legislature. The Attorney General intends to appeal both lawsuits, potentially extending the length of this dispute to nearly a decade.

Your Committee on Conference finds that substitute teachers play an integral role in Hawaii's public education system. On any given day, about 1,000 substitute teachers fill in for approximately 12,000 regular, full-time teachers. Similar to Act 70, Session Laws of Hawaii 2005, this measure provides an interim pay rate for substitute teachers until *Gamer v. Doe* and *Klitternick v. Hamamoto* are resolved. At that time, this Committee urges the Legislature to make appropriate adjustments, including retroactive pay adjustments, to substitute teacher pay in accord with the appellate court's final ruling.

Your Committee on Conference has amended this measure to omit all references to the measure as a vehicle to settle the on-going civil litigation between the DOE and plaintiff substitute teachers, and to insert dollar amounts in the pay scale.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3197, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3197, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Caldwell, Luke, Takamine and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Chun Oakland, Hooser, Kanno, Nishihara, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senators Chun Oakland and Tsutsui were excused.)

Conf. Com. Rep. 217-06 on S.B. No. 3059

The purpose of this measure is to develop and maintain a model curriculum to assist teachers in meeting the Hawaii performance standards as required by the federal No Child Left Behind Act of 2001.

Your Committee on Conference finds that the intent of this measure is to give school complexes the flexibility to select and adopt a standards-based curriculum that best meets their needs, and that the measure would be more effective if it enabled school complexes to develop and maintain an articulated and aligned standards-based curriculum to support teachers in helping all students to meet the Hawaii Content and Performance Standards.

Your Committee on Conference further finds that the initial phase in the development of an articulated and aligned curriculum is to:

- (1) Identify the criteria that schools and complexes must follow in developing and implementing a standards-based curriculum;
- (2) Provide support to schools in implementing the curriculum; and
- (3) Ensure that schools have the assessment tools to monitor student progress.

Your Committee on Conference has amended this measure by:

- (1) Allowing school complexes to develop an articulated and aligned curriculum in one or more of the core content areas;
- (2) Requiring school complexes to provide professional development;
- (3) Requiring standards-based formative assessments;
- (4) Requiring rigorous classroom performance-based assessments;
- (5) Allowing complexes to implement software programs to align school course material with the Hawaii Content and Performance Standards; and
- (6) Requiring the Department of Education to submit an additional report to the Legislature.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3059, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3059, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Takamine and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Hooser, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 218-06 on S.B. No. 3195

The purpose of this measure is to ensure that public schools receive the funds they need to provide quality education to Hawaii's students.

Specifically, this measure appropriates funds for:

- (1) A weighted student formula conversion program to provide supplementary funds to help ease schools' transition into the new spending method under the weighted student formula;
- (2) Classroom supplies;
- (3) Textbooks;
- (4) Resources to guide students on their path to higher education;
- (5) Special education needs;
- (6) English as second language services; and
- (7) Information technology needs.

Your Committee on Conference finds that \$20,000,000 has been appropriated this year for schools to ease the transition to the weighted student formula spending method, and that an educational need that remains to be addressed is the teacher shortage in Hawaii. Your Committee further finds that students may be guided on the path toward higher education and toward careers in education through programs like the Hawaii Teacher Cadet program, and that the Department of Education should receive an appropriation to supplement teacher training and support in the manner that best suits its needs.

Your Committee on Conference has amended this measure by replacing most of the appropriation provisions of House Draft 2 with an appropriation for the Department of Education to address the teacher shortage in Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3195, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3195, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Takamine and Ching.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Fukunaga, Hooser and Hogue.
Managers on the part of the Senate.
(Senator Fukunaga was excused.)

Conf. Com. Rep. 219-06 on S.B. No. 3273

The purpose of this measure is to improve the process by which public school students are assessed and treated for substance abuse.

Specifically, this measure:

- (1) Makes the zero tolerance policy for public schools, as amended by Act 213, permanent;
- (2) Further amends the public school zero tolerance policy for drugs and alcohol as recommended by the student substance abuse assessment and treatment advisory task force; and
- (3) Allows certified substance abuse counselors to conduct assessments to qualify individuals for substance abuse-related insurance benefits.

Your Committee on Conference finds that although minimum insurance benefits for substance abuse treatment are statutorily required, insurers lack a sufficient number of providers to conduct the substance abuse assessments necessary to qualify individuals for covered services. Your Committee further finds that this is of particular concern in the case of children facing substance abuse-related school discipline under the zero tolerance policy.

Your Committee has amended this measure by making the effective date July 1, 2006, provided that section 4 of the measure, which amends Act 213, Session Laws of Hawaii 2005, shall take effect on June 29, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3273, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3273, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Arakaki, B. Oshiro, Chong and Ching.
Managers on the part of the House.

Senators Sakamoto, Baker, Hanabusa, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Hanabusa was excused.)

Conf. Com. Rep. 220-06 on S.B. No. 2076

The purpose of the measure is to encourage lessors of residential real properties to sell their fee simple interest by providing an incentive in the form of an income tax exemption for one hundred per cent of the gain realized from the sale.

Your Committee finds that the exclusion of a portion of the capital gain from the sale of leased fee interests to lessees would provide fee owners with the proper incentive to sell that interest in their real property.

Your Committee has amended the measure to:

- (1) Set a cap of \$800,000 in the aggregate for all taxpayers in the State in any tax year on the amount of capital gain tax exclusion;
- (2) Amend the sunset date to January 1, 2009; and
- (3) Change the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2076, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2076, S.D. 2, H.D. 2, C.D. 1.

Representatives Kahikina, Herkes, Nishimoto and Pine.
Managers on the part of the House.

Senators Menor, Taniguchi, Baker, Espero, Kokubun and Hogue.
Managers on the part of the Senate.
(Senator Kokubun was excused.)

Conf. Com. Rep. 221-06 on S.B. No. 2190

The purpose of this measure is to make adjustments to both contributions and benefits for unemployment insurance by providing temporary relief to employers by lowering the maximum taxable wage base for calendar year 2007 and increasing unemployment benefits for eligible individuals. This measure also excludes the payment of benefits to individuals terminated from employment as a result of willful or wanton misconduct.

Your Committee on Conference finds that relief to both employers and unemployed workers in the face of a reported balance of \$457 million in the Unemployment Trust Fund is warranted and a fair approach to the interest of both sides of the unemployment system. This measure strikes an appropriate balance between providing eligible unemployed individuals increased benefits, while equitably providing tax relief to employers. Your Committee on Conference further determines that, in the interest of protecting unemployed individuals and preserving the integrity of the system, a clear policy should be established regarding the denial of benefits for individuals terminated only for misconduct that rises to the level of willful or wanton misconduct.

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

- (1) Clarifying the application of the adjustment in benefits by:
 - (a) Increasing the threshold for deducting wages earned in a benefit week to \$150 for weeks beginning July 2, 2006; and
 - (b) Increasing the maximum potential benefits paid to an eligible individual to thirty times the individual's weekly benefit amount for years beginning January 1, 2006;
- (2) Increasing by one year the relief provided to employers;
- (3) Including portions of the rules with respect to excluding benefits to employees terminated for willful or wanton misconduct; and
- (4) Changing the effective date of the Act to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2190, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2190, S.D. 1, H.D. 2, C.D. 1.

Representatives Caldwell, Takamine and Stevens.
Managers on the part of the House.

Senators Kanno, Taniguchi, Espero, Menor and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings did not concur.)
(Senator Menor was excused.)

Conf. Com. Rep. 222-06 on S.B. No. 2708

The purpose of this measure is to extend the duration for one year of the School Impact Fee working group established by Act 246, Session Laws of Hawaii 2005, to require a legislative report from the working group, and to make an appropriation for working group operations.

Your Committee on Conference is adopting the Senate Draft 2 version of this measure and has amended it to include an appropriation of \$25,000 per the request from the Auditor.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2708, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2708, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Takamine, Ching and Chong.
Managers on the part of the House.

Senators Sakamoto, Menor, Taniguchi, Tsutsui and Slom.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 223-06 on S.B. No. 2719

The purpose of this bill is to improve Hawaii's charter school system by adopting many of the priority proposals developed by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. Among other things, this bill:

- (1) Provides consistency and clarity for statutes relating to the administration and governance of charter schools by recodifying and reorganizing the statutes into a new chapter;
- (2) Renames the Charter School Review Panel as the Charter School Oversight Panel, and more clearly specifies its powers;
- (3) Changes the limit on the number of charter schools that may be established;
- (4) Creates clarity in the establishment of start-up and conversion charter schools;
- (5) Enhances and clarifies the powers and duties of the Charter School Administrative Office (CSAO) and its executive director;
- (6) Clarifies civil service provisions for charter school employees; and
- (7) Clarifies collective bargaining provisions for charter school employees.

Upon careful consideration, your Committee on Conference has amended this bill by substituting the language in this bill with the language of companion bill H.B. No. 2962, S.D. 1, and further amending the bill by:

- (1) Expanding the charter school review panel's (Panel's) membership and duties, rather than renaming it "charter school oversight panel", as follows:
 - (a) Relating to composition, including:
 - (1) Requiring representation from start-up charter schools and conversion charter schools on the Panel;
 - (2) No longer requiring BOE to appoint Panel members from a list of qualified nominees;
 - (3) Stipulating that the terms of appointed Panel members begin July 1;
 - (4) Clarifying that two appointed members, rather than one, serve an initial term of one year;
 - (5) Allowing BOE to add and replace Panel members whenever positions become vacant;
 - (6) Providing for the designation of the chair of the Panel for each school year and whenever there is a vacancy;
 - (b) Relating to responsibilities and operations, including:
 - (1) Amending the definition of "charter school review panel";
 - (2) Requiring the Panel to be accountable to and report to BOE;
 - (3) Limiting the Panel's functions to reviewing, recommending, and evaluating;
 - (4) Specifying that if BOE does not issue or deny a charter, approve or deny significant amendments to detailed implementation plans, or take action on recommendations for charter school probation or charter revocation, within 60 calendar days of receipt, the Panel's recommendations on such shall automatically become effective;

- (5) Requiring BOE to adopt rules for an appeals process in the case that the Panel decides not to recommend the issuance of a new charter, or to recommend significant amendments to detailed implementation plans;
 - (5) Requiring BOE to provide for the staff support and expenses of the Panel;
 - (6) Removing the authorization for the Panel to adopt administrative rules;
 - (7) Removing the conditions for the Panel's exemption from the Sunshine Law, or Chapter 92, Hawaii Revised Statutes (HRS);
- (2) Designating the Board of Education (BOE) as the charter authorizer and clarifying the associated responsibilities, including, in addition to those already mentioned:
 - (a) Implementation of Panel recommendations, if BOE concurs, unless it does not act upon the recommendations within a certain period of time;
 - (b) Reporting to the Legislature;
- (3) Changing the definition of "detailed implementation plan" to mean the document that details a charter school's purpose, focus, operations, organization, finances, and accountability, and becomes the basis for a performance contract between BOE and the charter school;
- (4) Allowing one new start-up charter school to be authorized for each existing start-up, but not conversion charter school, that has received a certain accreditation or for each start-up charter school whose charter is revoked, and setting a limit of 25 conversion charter schools;
- (5) Changing the start-up and conversion charter school application process, including:
 - (a) Removing specific deadlines and stipulations for the detailed process, and instead requiring BOE to determine the schedule and provisions;
 - (b) Removing provisions for the issuance of provisional approval of a charter;
 - (c) Requiring that upon approval of a start-up or conversion charter school, CSAO shall submit to BOE a proposed budget for its funding;
- (6) Changing the requirements that local school boards must adhere to as a condition of their exemption from Chapter 92, HRS, including:
 - (a) Requiring local school boards to make available only the notices and agendas of public meetings;
 - (b) Removing specific instructions regarding internal procedures; and
 - (c) Requiring local school boards to make available the minutes from public meetings on a timely basis;
- (7) Changing the responsibilities of the CSAO and its executive director, including:
 - (a) No longer requiring the executive director to communicate BOE's positions, policies, and view on charter schools to policy makers, charter schools, and the public;
 - (b) Requiring the executive director to take on additional functions as follows:
 - (1) Provide guidance and assistance to charter applicants and charter schools in various capacities;
 - (2) Assist BOE in coordinations with charter schools in BOE investigations and evaluations of charter schools; and
 - (3) Serve as the communicator between charter schools and BOE and the Department of Education (DOE);
 - (c) Requiring the executive director to be evaluated annually by BOE only;
 - (d) Requiring CSAO to withhold funds for charter school enrollments that are inconsistent with approved detailed implementation plans, and to repay overpayments or over-allocations received by charter schools when not repaid in a timely manner; and
- (8) Further clarifying the civil service provisions for employees of DOE schools that become conversion charter schools and employees of conversion charter schools;
- (9) Clarifying that licensed charter school teachers, as determined by the Hawaii Teacher Standards Board, who are not yet tenured and are entering or returning to DOE after employment at a charter school, are subject to no more than one year of probation;

- (10) Authorizing BOE to make adjustments in per-pupil allocations;
- (11) Allowing a nonprofit organization that governs more than one conversion charter school to cast one vote representing each school it governs;
- (12) Clarifying that funds for charter schools through DOE's weighted student formula shall be transferred by DOE to CSAO for distribution to the charter schools;
- (13) Requiring annual self-evaluations from the charter schools to be submitted to BOE, requiring BOE to conduct multi-year evaluations of certain charter schools, and allowing BOE to conduct special evaluations of charter schools at any time;
- (14) Authorizing BOE to place a charter school on probationary status, provided that among other things:
 - (a) The Panel evaluates the charter school or review an evaluation of the charter school and makes recommendations to BOE; and
 - (b) BOE and CSAO are involved in substantive discussions with the charter school regarding the areas of deficiencies;
- (15) After a decision to revoke its charter, allowing a charter school to remain open until a plan for an orderly shut-down and transfer of students and assets is developed and executed, or until the school year ends, whichever comes first, unless there is an immediate concern for student or employee health or safety, in which case BOE may adopt an interim restructuring plan;
- (16) Requiring BOE to adopt rules pursuant to chapter 91 for placing charter schools on probation and for revoking a charter;
- (17) Adding a provision for assault in the second degree on charter school employees;
- (18) Removing the \$200,000 appropriation for BOE to carry out its duties relating to charter schools;
- (19) Inserting provisions to allow the State to enter into long-term leases of lands and buildings with charter schools for the location of school facilities;
- (20) Changing the effective date to upon approval; and
- (21) Making technical, nonsubstantive changes for clarity, consistency, and style, including renumbering the sections of chapter 302B as needed.

Your Committee on Conference respectfully urges BOE to adopt rules in an expeditious manner to ensure efficient implementation of the provisions of this bill for the improvement of Hawaii's charter school system.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2719, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2719, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Takamine and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Taniguchi, Kanno, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 224-06 on H.B. No. 3105

The purpose of this bill is to improve access to psychotropic medication for participants in all Hawaii medicaid medical plans by expanding to QUEST health plans, the prohibition on restrictions placed on psychotropic medications.

Your Committee on Conference has amended this bill by, among other things:

- (1) Deleting the pre-authorization exemption for the provision of psychotropic medications to a person in need of emergency psychiatric or psychological service, as this service is covered by a provision which remains in the bill;
- (2) Requiring the Department of Human Services to report annually to the Legislature on the effectiveness of this Act;
- (4) Applying the sunset date only to QUEST medical plans; and
- (5) Extending the sunset date to 2008; and
- (6) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3105, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3105, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Sonson, Herkes, Luke, Yamane, Green and Marumoto.
Managers on the part of the House.
(Representatives Herkes and Luke were excused.)

Senators Baker, Chun Oakland, Taniguchi, Fukunaga and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 225-06 on H.B. No. 3142

The purpose of this bill is to ensure the availability of quality, critical trauma care in our state by establishing a Trauma System Special Fund (Special Fund) with a dedicated source of revenue to support the continuing development and operation of a comprehensive state trauma system.

Your Committee on Conference has amended this bill by, among other things:

- (1) Defining "comprehensive state trauma system," "hospitals providing care to trauma patients," and "trauma care;"
- (2) Removing the increase on state registration fees for automobiles, the proceeds from which would have been placed into the Special Fund;
- (3) Directing the Department of Health (DOH) to convene ad hoc committees to advise the department on all matters related to trauma care;
- (4) Deleting the appropriation from the Special Fund; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3142, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3142, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Nishimoto, Finnegan and Green.
Managers on the part of the House.

Senators Baker, Chun Oakland, Tsutsui, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senators Taniguchi and Whalen were excused.)

Conf. Com. Rep. 226-06 on H.B. No. 2961

The purpose of this bill is to enhance the health and welfare of Hawaii's public school children by establishing a federal revenue maximization revolving fund to collect and disburse funds for Medicaid-eligible health services provided to public school children.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the program's name as the "Department of Education Federal Revenue Maximization Program" (Program) and renaming the revolving fund to "Department of Education Federal Revenue Maximization Program Revolving Fund" (Revolving Fund);
- (2) Clarifying that moneys from the Revolving Fund shall also be expended by the Department of Education (DOE) for administrative costs related to the Program;
- (3) Making conforming amendments that exempt DOE from the requirement that federal reimbursements for federally-funded state programs be deposited into the State's Interagency Federal Revenue Maximization Revolving Fund;
- (4) Appropriating \$2,000,000 out of the Revolving Fund for Medicaid-eligible services provided by DOE and administrative costs related to the Program; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2961, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2961, H.D. 1, S.D. 1, C.D. 1.

Representatives Berg, Takamine and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Ige, Taniguchi, Nishihara and Hogue.
Managers on the part of the Senate.

Conf. Com. Rep. 227-06 on H.B. No. 2558

The purpose of this bill is to encourage employees who have suffered work-related injuries to return to work by authorizing the Director of Labor and Industrial Relations (Director) to refer, for vocational rehabilitation, those employees who are unable to return to their regular jobs upon medical stabilization and who have not been offered permanent suitable work that is comparable in earnings to their former jobs.

Your Committee on Conference notes that existing laws allow employees who have suffered a permanent disability as a result of work injuries to be referred by the Director for vocational rehabilitation services. Existing laws are not clear on whether employees who are restricted in their daily living and working activities as a result of their work related injuries are eligible for vocational rehabilitation.

Your Committee on Conference believes that limiting the Director's referrals for vocational rehabilitation to employees who have suffered a permanent disability would be contrary to the intent of this legislation. The recuperative process following a work injury should not only include healing from the physical effects of the injury itself, but also assisting injured workers to reintegrate into the workforce in a timely manner.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2558, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2558, H.D. 1, S.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Stevens.
Managers on the part of the House.

Senators Kanno, Chun Oakland and Taniguchi.
Managers on the part of the Senate.
(Senator Chun Oakland was excused.)

Conf. Com. Rep. 228-06 on H.B. No. 2947

The purpose of this bill is to improve workforce development by:

- (1) Increasing the amount of federal Reed Act funds previously appropriated out of the Unemployment Insurance Trust Fund for fiscal year 2006-2007 under Act 249, Session Laws of Hawaii 2005 (Act 249);
- (2) Specifying that funds appropriated shall be allocated to the counties;
- (3) Requiring that the counties work in collaboration with the workforce investment boards of each county;
- (2)[sic] Repealing the requirement under Act 249 that allocations of the funds must first be made to the workforce investment boards before they can be made to the Department of Labor and Industrial Relations (DLIR); and
- (3)[sic] Repealing the requirement that the allotment system is inapplicable to the allocation of the funds.

Last year, the Governor did not properly veto S.B. No. 813 and this legislation became Act 249, Session Laws of Hawaii 2005. This law appropriated approximately double what the Administration wanted to appropriate to the counties for workforce development. Despite the severability language contained in the law, the Administration has refused to release any of this money to the counties.

Your Committee on Conference finds that the funds are needed for workforce development. Appropriating funds to the workforce investment boards and requiring the boards to work in collaboration with their respective counties will go a long way toward effectively addressing Hawaii's workforce development issues.

While your Committee on Conference strongly believes that Act 249 correctly and legitimately took effect by operation of law, your Committee on Conference is aware that the legitimacy of Act 249 is still in dispute.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Inserting a purpose section;
- (2) Inserting language conforming state statute to federal law to allow the use of Reed Act funds distributed in 2002 to provide unemployment insurance (UI) benefits and for the administration of the State's UI system, including its public employment offices;
- (3) Allocating \$9,800,000, rather than \$10,000,000, of the \$31,000,000 in Reed Act funds to provide additional funding to the county workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building;

- (4) Specifying that the appropriated funds be allocated to the workforce investment boards which shall work in collaboration with their respective counties;
- (5) Adjusting the amounts allocated to each workforce investment board;
- (6) Deleting funds appropriated to DLIR to plan, develop, and implement a computer system that benefits workforce development activities and programs operated by the counties;
- (7) Allocating \$200,000 to DLIR to be used by the Workforce Development Council (Council) for the funding of positions to identify additional funds and resources to support state-wide workforce development activities, with the goal of being self sufficient;
- (8) Requiring each workforce investment board to submit a workforce development plan to the Council for approval prior to the release of funds by DLIR;
- (9) Inserting language repealing Act 249; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2947, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2947, H.D. 2, S.D. 2, C.D. 1.

Representatives Caldwell, Nakasone and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Kanno, Taniguchi and Espero.
Managers on the part of the Senate.
(Senator Espero was excused.)

Conf. Com. Rep. 229-06 on H.B. No. 3244

The purpose of this measure is to protect Hawaii's citizens from identity theft by:

- (1) Changing the name of the Hawaii Anti-Phishing Task Force to the Identity Theft Task Force (Task Force);
- (2) Extending the life of the Task Force to December 31, 2007;
- (3) Expanding Task Force responsibilities from prevention of electronic commerce-based crimes to prevention of identity theft;
- (4) Adding additional members to the Task Force;
- (5) Providing that the Auditor rather than the Attorney General (AG) is to provide research and support services to the Task Force and appropriating funds for this purpose; and
- (6) Appropriating funds to the AG to develop a uniform system of tracking identity theft crimes, fund community outreach about identity theft, and investigate the nexus between methamphetamine use and identity theft.

In 2005, the Hawaii Anti-Phishing Task Force was established to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the state. Its recommendations focused primarily on providing better law enforcement tools to prosecute identity theft, and determining how to better protect personal information contained in public records. In the course of its discussions, the Task Force recognized that it needed to broaden its focus from phishing scams to the more pervasive problem of identity theft, and determined that identity theft was a more serious problem than was previously recognized.

Your Committee on Conference has amended this measure to:

- (1) Change the Task Force membership by:
 - (A) Removing the Consumer Data Industry Association representative;
 - (B) Adding two members to represent consumer and business organizations; and
 - (C) Removing the requirement that members of the Hawaii Senate and House of Representatives be appointed to the Task Force;
- (2) Require the Task Force to:
 - (A) Consider protections for records of both state and county government agencies in Hawaii;

- (B) Establish a timetable for the removal of personal identifying information from public records in Hawaii;
 - (C) Review the current practices of other jurisdictions associated with the use and disclosure of government records containing social security numbers;
 - (D) Review the current volume of these government records and likely future increase or decrease in the volume of these records; and
 - (E) Review the practicability of any proposed mandatory redaction for certain types of records or documents, and its impact on resources needed to implement the redaction;
- (3) Require the Task Force to identify and recommend solutions to social security number protection issues, including the sale, lease, trade, rent, or otherwise intentional release of an individual's social security number to a third party;
 - (4) Insert a specific appropriation to the Auditor for research and support services, of \$50,000;
 - (5) Insert a specific appropriation to the AG for the development of a uniform system of tracking identity theft crimes, of \$50,000;
 - (6) Delete the appropriation to the AG for community outreach about identity theft;
 - (7) Delete the appropriation to the AG for a study on the nexus between methamphetamine use and identity theft; and
 - (8) Make nonsubstantive, technical amendments for style and consistency.

Your Committee on Conference finds that the amendments and appropriations made by this bill will allow the Task Force to make more comprehensive and effective recommendations on how the State can better protect Hawaii's citizens from identity theft, and enable the AG to compile information about identity theft crimes that may be used to further enhance these protections.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3244, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3244, H.D. 1, S.D. 2, C.D. 1.

Representatives Herkes, Luke, Chong and Moses.
Managers on the part of the House.
(Representative Luke was excused.)

Senators Fukunaga, Menor, Hanabusa, Taniguchi and Whalen.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 230-06 on H.B. No. 970

The purpose of this bill is to provide emergency appropriations for the damage and destruction caused in the state by heavy rains and flooding in February and March 2006.

Your Committee on Conference finds that Governor's Message No. 260, requesting new funding totaling \$50 million, was received by the Legislature on the 49th legislative day, following the 2nd Crossover deadline. The extremely late submittal of this information, 11 legislative days prior to Sine Die, has not provided the respective subject matter committees the opportunity to adequately consider the requests contained in this measure. However, your Committee remains responsive to the devastating effects of the heavy rains on our communities. Funds from the emergency and budget reserve fund (EBRF) are authorized in this measure where costs were directly attributable to rain damage caused by the unforeseen weather and could not be completely accounted for.

It is the intent of your Committee on Conference to have the administration report to the Legislature on the use of these funds, the amount spent, and the purpose for the expenditures. Once those expenditures are justified, your Committee on Conference envisions an appropriation made from the general fund into the EBRF.

Your Committee on Conference has amended this measure by:

- (1) Specifying, clarifying, deleting, and adding the provisions that will receive appropriations;
- (2) Adding appropriation amounts;
- (3) Requiring the Governor to report on the uses of all funds appropriated by this bill; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 970, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 970, H.D. 1, S.D. 1, C.D. 1.

Representatives Ito, Chong, Tanaka, Waters and Moses.

Managers on the part of the House.

Senators Taniguchi, Fukunaga, Inouye, Tsutsui and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 231-06 on H.B. No. 2175

The purpose of this measure is to provide a comprehensive set of proposals to assist the State in achieving energy self-sufficiency.

Specifically, this measure:

- (1) Increases renewable energy technology tax credits for certain energy systems and removes the tax credit's January 1, 2008, sunset date;
- (2) Authorizes the issuance of general obligation bonds for the development and implementation of a photovoltaic, net energy metered system pilot project in public schools;
- (3) Updates the State's energy policy to promote state use of green building practices for the construction or substantial renovation of state-funded buildings, energy and water efficiency practices, life cycle cost-benefit analysis, fuel-efficient vehicles, alternate fuels, and energy-savings contracts;
- (4) Requires the State's Energy Resources Coordinator to establish benchmarks and evaluate the State's progress in incorporating energy efficiency and conservation measures and to make recommendations on how and when to conduct periodic energy audits;
- (5) Authorizes the issuance of general obligation bonds to fund energy efficiency initiatives for state facilities, vehicles, and equipment;
- (6) Appropriates funds to hire a full-time energy-efficiency coordinator position to address energy efficiency in Department of Education facilities;
- (7) Requires the counties to establish a procedure for priority processing of permit applications for construction projects incorporating energy and environmental design building standards;
- (8) Requires the Public Utilities Commission to implement a "pay as you save" pilot program to help residents purchase energy-efficient solar hot water heater systems; and
- (9) Establishes a Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and appropriate funds for the hydrogen program and the special fund.

This is one of two omnibus energy package bills; the other bill is S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1. The contents of the two bills were divided between this measure and S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1, after agreement by your Committee on Conference. Your Committee on Conference has amended this measure by, among other things:

- (1) Deleting certain sections that are present in S.B. No. 2957, S.D. 2, H.D. 2, C.D. 1, relating to:
 - (A) The renewable energy technology tax credits;
 - (B) The "pay as you save" pilot program; and
 - (C) The Hawaii Renewable Hydrogen Program and Hydrogen Investment Capital Special Fund and the appropriations for the hydrogen program and the special fund;
- (2) Deleting all general obligation bonds appropriations language and appropriating general funds of:
 - (A) \$500,000 to the Department of Business, Economic Development, and Tourism (DBEDT) for energy-efficiency initiatives for state facilities and equipment;
 - (B) \$5,000,000 to the Department of Education (DOE) for the development and implementation of a photovoltaic, net energy metered pilot project in public schools;
 - (C) \$65,000 to DOE for the establishment of a full-time energy coordinator position within DOE; and
 - (D) \$130,000 to DBEDT for the establishment of two full-time energy coordinator positions within DBEDT;
- (3) Accelerating the timetable to phase-in energy-efficient vehicles into the State's motor vehicle fleet;
- (4) With regard to buildings and facilities, requiring each agency to design and construct buildings meeting the Leadership in Energy and Environmental Design silver or two green globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system, except when the guideline, standard, or system interferes or conflicts with the use of the building or facility as an emergency shelter;

- (5) Defining "energy and environmental design building standards" to mean Leadership in Energy and Environmental Design silver or two green globes rating system or another comparable state-approved, nationally recognized, and consensus-based guideline, standard, or system;
- (6) Making the measure effective upon approval; provided that sections 2, 3, 10, 12, and 13 shall take effect on July 1, 2006; and
- (7) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2175, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2175, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Herkes, Takamine, Ito, Magaoay and Thielen.
Managers on the part of the House.

Senators English, Menor, Taniguchi, Espero, Kokubun and Whalen.
Managers on the part of the Senate.
(Senator Menor was excused.)

Conf. Com. Rep. 232-06 on H.B. No. 266

The purpose of this bill is to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Specifically, this measure:

- (1) Allows a public employer to negotiate over procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions; and
- (2) Requires negotiations over the impact of transfers, assignments, and layoffs of public employees.

This measure also clarifies the rights of public employees to engage in collective bargaining under chapter 89, Hawaii Revised Statutes, in light of recent court decisions, Hoopai v. Civil Service Comm'n, 106 Hawai'i 205 (2004) and United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005), and to avoid the invalidation of provisions of collective bargaining agreements in effect on and after July 1, 2005. Specifically, language contained in dicta to the high court's opinion on United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005), implied that the right of an employer to manage its business outweighed its duty to negotiate over wages, hours, and conditions of employment. Therefore, while H.R.S. § 89-9 provides that wages, hours, and conditions of employment are indeed mandatory subjects of bargaining, the UPW v. Hanneman decision may be read so that employers are not required to bargain over such matters if such negotiations would interfere with management's rights.

Your Committee on Conference finds that such a conclusion, however, would be an incorrect application of the law. Rather, your Committee on Conference finds that H.R.S. § 89-9 provides three different categories of bargaining subjects: (1) excluded bargaining subjects that may not be bargained over, (2) mandatory bargaining subjects that must be bargained over, and (3) permissive bargaining subjects that may be bargained over, upon agreement of both the public employer and the exclusive bargaining representative of its employees.

Additionally, in this context, your Committee on Conference also finds that although a public employer and the exclusive bargaining representative of its employees may not bargain over matters that would affect the management rights of the public employer because such matters are excluded from bargaining, such management rights do not preclude negotiations over mandatory subjects of bargaining.

Therefore, in light of the Hawaii Supreme Court's opinion in UPW v. Hanneman, the purpose of this bill is as follows. First, this bill clarifies that management rights and the right to engage in collective bargaining are equal to each other, and that management rights do not preclude negotiations over mandatory subjects of bargaining.

Second, this bill clarifies that management rights may not be used to preclude negotiations over mandatory subjects of bargaining, and at the same time, preserves the rights of a public employer to manage its own operations. Therefore, your Committee on Conference wants to make it clear that this bill is not intended to infringe upon or dilute management rights in any way.

Finally, this bill clarifies that H.R.S. § 89-9 applies during collective bargaining or during negotiations over a memorandum of agreement, memorandum of understanding, or supplemental agreement only, and does not require negotiations over individual promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions. Therefore, this bill preserves management rights in this way as well.

Your Committee on Conference finds that the negotiations over procedures and criteria of promotions, transfers, assignments, demotions, layoffs, suspension, terminations, discharges, or other disciplinary actions, and negotiations over the impact of transfers, assignments, and layoffs, are consistent with the underlying purpose of chapter 89, Hawaii Revised Statutes. Exclusive representatives and public employees have negotiated over these subject matters since 1970. Provisions in collective bargaining agreements in effect on and after July 1, 2005 should not be subject to invalidation by reason of section 89-9(d), Hawaii Revised Statutes.

Accordingly, Your Committee on Conference has amended this measure by:

- (1) Clarifying that the provisions of this act shall not be used to invalidate provisions of collective bargaining agreements in effect on or after June 30, 2007, rather than collective bargaining agreements in effect on or after July 1, 2006;

- (2) Authorizing negotiations over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions as a permissive subject of bargaining during collective bargaining negotiations or negotiations over a memorandum of agreement, memorandum of understanding, or other supplemental agreement.
- (3) Deleting the requirement that impacts of transfers, assignments, and layoffs of public employees be negotiated; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 266, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 266, H.D. 1, S.D. 2, C.D. 1.

Representatives Caldwell, Takamine, Nakasone and Stevens.
Managers on the part of the House.

Senators Kanno, Taniguchi and Hanabusa.
Managers on the part of the Senate.
(Senator Hanabusa was excused.)

Conf. Com. Rep. 233-06 on H.B. No. 2179

The purpose of this bill is to provide much-needed improvements to agricultural irrigation systems by:

- (1) Establishing the Irrigation Repair and Maintenance Special Fund (Special Fund);
- (2) Establishing a tax credit for matching funds provided by landowners who receive funding from the Special Fund;
- (3) Authorizing and appropriating general obligation bond funds for the Special Fund, provided that the general obligation bond funds are matched by federal funds;
- (4) Appropriating funds for certain, specific irrigation systems; and
- (5) Appropriating funds for the operational, management, and administrative costs incurred by the Board of Agriculture in carrying out the provisions of the bill.

Your Committee on Conference finds that the agricultural industry is an important component of the state's economic and social well-being. This measure provides some of the necessary money and incentives needed to begin repairs and maintenance on irrigation systems statewide.

Your Committee on Conference has amended this measure by:

- (1) Deleting the tax credit;
- (2) Establishing a vocational agricultural education program in the Department of Education and appropriating \$100,000 for this program;
- (3) Replacing the general obligation bond authorization and appropriation for the Special Fund with a general fund appropriation of \$1,500,000, provided that \$1,500,000 in federal funds are also deposited into the Special Fund;
- (4) Changing the appropriation amount out of the Special Fund to \$3,000,000;
- (5) Changing the appropriation amount for the specific irrigation systems to \$11,886,000, to be allocated as follows:
 - (A) \$2,336,000 for the East Kauai Irrigation System;
 - (B) \$500,000 for the Waimanalo Irrigation System;
 - (C) \$2,500,000 for the Molokai Irrigation System;
 - (D) \$4,850,000 for the Waimea Irrigation System; and
 - (E) \$1,700,000 for the Lower Hamakua Irrigation System;
- (6) Changing the expending agency for the appropriation for the specific irrigation systems in item (5) to the Department of Agriculture;
- (7) Deleting the appropriation for the operational, management, and administrative costs incurred by the Board of Agriculture in carrying out the provisions of the bill;
- (8) Deleting the provision naming the bill as the "New Directions for Diversified Agriculture Act"; and

- (9) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee on Conference notes that with the decline of the sugar industry, agricultural lands are returning to a new era of small-diversified agricultural farms. Crops like coffee, macadamia nuts, flowers and foliage, and specialty exotic fruits not only provide fresh produce and flowers to Hawaii's markets but also have become major exports to destinations around the world.

To maintain and expand this growing industry, your Committee on Conference finds that a broad spectrum of skilled and professional workers, from field workers to researchers and from managers to agronomists, are necessary. Accordingly, your Committee on Conference has further amended this measure by directing the Department of Education to establish and administer a comprehensive vocational agriculture education program in the public schools.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2179, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2179, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Takamine, Carroll, Tsuji and Halford.
Managers on the part of the House.

Senators Kokubun, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 234-06 on H.B. No. 2176

The purpose of this bill is to alleviate the burden of Hawaii's affordable housing and homeless crisis by:

- (1) Expanding the use of the State Rent Supplement Program (Program) by authorizing the Hawaii Housing Finance and Development Administration (HHFDA) to use Program funds for project-based operating subsidies for state low-income housing units transferred to private organizations to operate and manage the units;
- (2) Increasing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from 30 to 65 percent;
- (3) Promoting the development of self-help housing by allowing HHFDA to lease parcels of land for \$1 per year for up to 50 years;
- (4) Requiring HHFDA to identify public lands suitable for affordable residential development no later than September 1, 2006, and requiring the state agency having control of those lands to initiate transfer of the lands to HHFDA no later than December 1, 2006;
- (5) Appropriating \$20,000,000 for grants-in-aid for homeless services and transitional housing programs;
- (6) Appropriating \$10,000,000 to repair and modernize vacant units in federal and state public housing projects; and
- (7) Appropriating \$400,000 for interim construction loans for up to ten homes to be developed as self-help ownership homes.

Your Committee on Conference worked toward passing this measure in conjunction with S.B. No. 2958, to provide meaningful relief for Hawaii's residents struggling with skyrocketing home prices and homelessness. Some of the provisions that were in earlier versions of this measure may have been inserted into S.B. No. 2958.

Your Committee on Conference notes that an additional \$5,000,000 would have been awarded through grants-in-aid, but recognizes that a number of worthy nonprofit organizations did not submit requests for grants-in-aid, including the Institute for Human Services, Steadfast Housing, Gregory House, and Housing Solutions, Inc. Your Committee on Conference urges the Hawaii Public Housing Authority to consider such organizations for funding with the \$5,000,000 allocated to them for homeless and transitional housing and homeless services.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Inserting provisions allowing the State and counties to partner with nonprofit organizations to develop temporary emergency shelters;
- (2) Appropriating the following sums as grants-in-aid to the following organizations to provide various homeless services:
 - (a) \$3,200,000 to the counties;
 - (b) \$500,000 to Hawaii Helping the Hungry Have Hope;
 - (c) \$690,000 to Kauai Economic Opportunity, Inc.;
 - (d) \$2,100,000 to Ohana Ola O Kahumana;
 - (e) \$599,161 to the Ohana Family of the Living God;
 - (f) \$434,420 to the Victory Ohana Prison Fellowship;

- (g) \$180,000 to Catholic Charities;
- (h) \$2,000,000 to Child and Family Service;
- (i) \$5,000,000 to the Hawaii Coalition of Christian Churches;
- (j) \$50,000 to the Street Beat, Inc.;
- (k) \$80,000 to the County of Hawaii Department of Parks and Recreation; and
- (l) \$5,000,000 to renovate homeless shelters and transitional housing and provide homeless services;
- (3) Changing the conveyance tax allocation to the Rental Housing Trust Fund (RHTF) to 50 percent;
- (4) Appropriating the following sums as grants-in-aid to the following organizations for various low-income housing programs and services:
 - (a) \$700,000 to the Hawaii Habitat for Humanity Association;
 - (b) \$350,000 to the Nanakuli Housing Corporation;
 - (c) \$225,000 to the Hawaii Homeownership Center; and
 - (d) \$490,000 to Lokahi Pacific;
- (5) Appropriating \$1,500,000 for land acquisition of the Kulana Nani property in Kaneohe, Oahu; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2176, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2176, H.D. 2, S.D. 2, C.D. 1.

Representatives Kahikina, Nishimoto, Carroll and Pine.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Menor, Taniguchi, Baker, Chun Oakland, Espero, Inouye and Whalen.
Managers on the part of the Senate.
(Senators Baker and Whalen were excused.)

Conf. Com. Rep. 235-06 on H.B. No. 2966

The purpose of this bill is to further implement the division of the Housing and Community Development Corporation of Hawaii (HCDCH) into two separate agencies, and includes provisions:

- (1) Changing the names of the new agencies to the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA);
- (2) Expanding the details of the various programs under HHFDC and HPHA to conform to those under HCDCH and to further clarify the duties of HHFDC and HPHA;
- (3) Appropriating \$1 for each of the following purposes:
 - (a) Purchase equipment for HHFDC;
 - (b) Six full-time equivalent positions for HHFDC, including an executive director and executive assistant position; and
 - (c) Three full-time equivalent positions for HPHA;

and

- (4) Authorizing the issuance of general obligation bonds for renovations to HPHA's School Street Office.

Your Committee on Conference has amended this bill by, among other things:

- (1) Inserting provisions for the salary for the executive director and executive assistant of HPHA;
- (2) Changing references from "directors" to "members of the board";

- (3) Inserting provisions for HPHA to offer decommissioned housing to organizations or agencies for rehabilitation into emergency or transitional shelter facilities;
- (4) Inserting provisions related to HPHA's powers with regard to the State Sales Housing Program;
- (5) Appropriating \$708,300 for equipment for HHFDC;
- (6) Appropriating \$366,303 for positions for HHFDC;
- (7) Appropriating \$99,427 for positions for HPHA;
- (8) Appropriating \$1,791,700 for renovations to HPHA's School Street office;
- (9) Changing the effective date to July 1, 2006; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2966, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2966, H.D. 2, S.D. 2, C.D. 1.

Representatives Kahikina, Nishimoto and Pine.
Managers on the part of the House.

Senators Menor, Taniguchi, Baker, Espero, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 236-06 on H.B. No. 3115

The purpose of this measure is to provide Hawaii's gasoline consumers with fair market-related gasoline prices in a local oligopolistic petroleum industry.

Specifically, this measure:

- (1) Amends chapter 486J, Hawaii Revised Statutes, to require additional and more pertinent information to be provided by the petroleum industry, thereby providing more transparency in the petroleum industry;
- (2) Establishes the petroleum industry monitoring, analysis, and reporting program and special fund;
- (3) Suspends the maximum pre-tax wholesale gasoline price provision, while authorizing the Public Utilities Commission to temporarily lift the suspension on a zone-by-zone basis if for two weeks oil companies raise and maintain wholesale gasoline prices above the weekly maximum pre-tax wholesale gasoline price that would have been in effect had it not been suspended;
- (4) During any time that the maximum pre-tax wholesale gasoline price provision is suspended:
 - (A) Requires the gasoline distributors and dealers to continue to provide information and data required by chapter 486J; and
 - (B) Requires the Public Utilities Commission to continue to calculate and publish what the maximum pre-tax wholesale gasoline price would have been had the provision not been suspended;
- (5) Amends section 486H-13, Hawaii Revised Statutes, by:
 - (A) Adding the Singapore spot price weekly average price of conventional regular unleaded gasoline to the baseline price determination, with the lowest three of the four average weekly geographic prices being averaged to determine the state baseline price of regular unleaded gasoline;
 - (B) In the event of a holiday or holidays in a prior week, requiring the Public Utilities Commission to average the prices of the days that were not holidays;
 - (C) Eliminating the location adjustment factor;
 - (D) Reducing the marketing margin to 14 cents;
 - (E) Allocating percentages of zone price adjustments in zones 2 through 8 to distributors based upon the different function of the distributors; and
 - (F) Providing for zone price adjustments and allocations of zone price adjustments on a zone by zone basis;

- (6) Makes an appropriation from the general fund into the petroleum industry monitoring, analysis, and reporting special fund and an appropriation from the special fund to establish and maintain the petroleum industry monitoring, analysis, and reporting program; and
- (7) Sets forth and prohibits unfair trade practices by the petroleum industry.

Your Committee finds that the State needs a true and effective system of transparency that ensure that elected officials and the public would have all of the data they need to effectively monitor the pricing schemes and anti-competitive practices of the oil industry. Your Committee recognizes that a major goal of transparency is to raise the curtain of secrecy around industry-pricing practices to deter price-fixing and other anti-competitive practices. This measure would require the industry to report to the Public Utilities Commission sales volumes and the effective date, time, and amount of changes in wholesale prices for gasoline and diesel. Within fourteen days of receipt of this information, the Public Utilities Commission would be required to use the best technology available to publicly disclose the sales and pricing data that the industry reports. The Public Utilities Commission still would keep the industry's legitimately confidential information under seal.

Your Committee has amended this measure by:

- (1) Eliminating the authority of the Public Utilities Commission to temporarily reinstate the maximum wholesale gasoline price if oil companies raise and maintain wholesale gasoline prices above the fair price indicator;
- (2) Giving the governor the authority to reinstate the weekly maximum pre-tax wholesale gasoline price for thirty-days upon the governor's publication of a statewide notice that the reinstatement would be beneficial to the economic well-being, health, and safety of the people of the State;
- (2)[sic] Giving the governor the authority, upon reinstatement, to increase the maximum wholesale gasoline price within a zone;
- (3) Repealing section 486H-15, relating to the governor's emergency powers;
- (4) Adding a definition of "conventional gasoline" to section 486H-1;
- (5) Adding the department of business, economic development and tourism to the agencies authorized to examine reports or statements filed pursuant to chapter 486J and to obtain information pertinent to the commission's duties under chapter 486J;
- (6) Establishing the number of full-time staff positions in the commission to implement and maintain the petroleum industry monitoring, analysis, and reporting program; and
- (7) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee finds that Hawaii gasoline prices will not go down to competitive levels without increased transparency and government pressure. Although this measure would allow the oil companies to set prices at whatever levels they want, there must be mechanisms in place, in addition to increased transparency, to ensure that oil companies do not again raise prices artificially high.

The measure would give the governor authority to reinstate the maximum wholesale price ceiling for thirty days upon a published finding that reinstatement would be beneficial to the economic well-being, health, and safety of the people of the State. The governor's reinstatement authority would be triggered when the wholesale price of gasoline went above the fair price indicator. The governor's reinstatement authority also would be triggered when other events or circumstances, such as a natural disaster, justified a finding that temporary reinstatement would be beneficial to the economic well-being, health, and safety of the people of the State.

Your Committee finds that this measure should have the desired effect of providing Hawaii's gasoline consumers with fair market-related gasoline prices, by providing more transparency in the petroleum industry and by giving the governor the authority to reinstate the maximum pre-tax wholesale gasoline price provision in the event that the industry transparency does not result in the desired fair market-related gasoline prices.

In approving this measure, your Committee is doing its best to accommodate the desire of some members of the legislature to put the mandatory price ceiling on hold and to give oil companies greater latitude in setting prices. However, this measure also addresses the belief of consumer advocates and this Committee that the State must have some kind of fallback mechanism in place to authorize the governor to roll back prices should the oil companies resort to raising prices artificially high.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3115, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3115, H.D. 2, S.D. 2, C.D. 1.

Representatives Herkes, Luke, Takamine, Souki and Marumoto.
Managers on the part of the House.

Senators Menor, Taniguchi, Espero and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 237-06 on S.B. No. 2956

The purpose of this bill is to provide Hawaii's students with the best environment for learning by ensuring the availability of funds for school operations, construction, repair, and maintenance, and allowing for the effective management of school facility construction.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$160,000,000 for the renovation of classrooms statewide in the Department of Education (DOE);
- (2) Authorizing the issuance of \$40,000,000 in general obligation bonds for repair and maintenance of DOE school facilities, to be deposited into the State Educational Facilities Special Fund (SEFI), rather than \$50,000,000 in general obligation bonds for DOE capital improvement projects;
- (3) Inserting an appropriation of \$40,000,000 out of SEFI for repair and maintenance of DOE school facilities;
- (4) Changing from \$100,000,000 to \$35,000,000 the appropriation for repair and maintenance of DOE school facilities;
- (5) Deleting the appropriation for DOE operations;
- (6) Removing provisions for the establishment of the New School Construction Special Fund;
- (7) Removing the authorization for DOE to independently issue certificates of participation when initiating the construction of new schools;
- (8) Removing all provisions relating to the University of Hawaii;
- (9) Changing the effective date to July 1, 2006; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2956, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2956, S.D. 2, H.D. 2, C.D. 1.

Representatives Berg, Takamine, Nakasone and Finnegan.
Managers on the part of the House.
(Representative Nakasone was excused.)

Senators Sakamoto, Hee, Taniguchi, Kanno and Hogue.
Managers on the part of the Senate.
(Senator Hee was excused.)

Conf. Com. Rep. 238-06 on S.B. No. 2546

The purpose of this bill is to diversify Hawaii's economy by establishing the Hawaii Innovations Partnership Corporation to provide research and development grants and to invest in enterprises in advanced technology, life sciences, and renewable energy fields.

Your Conference on Committee has amended this bill by deleting its contents and replacing it with provisions that:

- (1) Establish the Innovation Special Fund (Special Fund); and
- (2) Provide a dedicated, temporary source of funding for the Special Fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2546, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2546, S.D. 1, H.D. 2, C.D. 1.

Representatives Karamatsu, Yamashita and Moses.
Managers on the part of the House.

Senators Fukunaga, Espero, Taniguchi, Ige, Inouye, Kanno and Slom.
Managers on the part of the Senate.
(Senators Kanno and Slom were excused.)

Conf. Com. Rep. 239-06 on H.B. No. 2043

The purpose of this bill is to ensure that health and human services are provided to those in need by:

- (1) Requiring the Department of Human Services (DHS) to disregard the amount of income equal to the difference between 133 percent of the assistance allowance and 100 percent of the federal poverty level, as adjusted annually by the federal government, in determining eligibility for assistance;
- (2) Appropriating funds for state Medicaid programs; and

- (3) Prohibiting DHS from requiring an individual enrolled in the QUEST program to re-enroll and select a QUEST health plan, unless the QUEST health plan ceases to actively continue providing services and coverage to its members.

Your Committee on Conference has amended this bill by removing its substance and replacing it with contents that establish provisions for request for proposals considered by DHS with regard to QUEST health plans. This measure will go into effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2043, H.D. 2, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2043, H.D. 2, S.D. 3, C.D. 1.

Representatives Sonson, Arakaki, Takamine, Green and Finnegan.
Managers on the part of the House.
(Representative Arakaki was excused.)

Senators Chun Oakland, Tsutsui, Fukunaga, Taniguchi and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 240-06 on H.B. No. 2258

The purpose of this bill is to promote accountability and openness in government with respect to the use of Temporary Assistance for Needy Families (TANF) program funds by:

- (1) Requiring TANF funds to be appropriated by the Legislature for expenditure; and
- (2) Requiring the Department of Human Services (DHS) to:
 - (A) Submit an annual plan to the Legislature detailing the planned expenditure of TANF funds and the desired outcomes from the expenditure of such funds;
 - (B) Continue the strategic planning process of involving the community in planning for the future use of TANF funds; and
 - (C) Submit an annual report to the Legislature on the effectiveness and level of success in reaching the desired outcomes.

Your Committee on Conference recognizes that there are several worthy programs that need funding to assist the elderly and the needy, including the Chore Services Program and the Hawaii Even Start Family Literacy Program (Literacy Program). The Literacy Program assists at-risk parents and their young children in low-income communities with various programs related to literacy, job preparation, education, and parenting skills.

The funds for the Literacy Program are to be expended for TANF purposes, and, as such, the appropriation is to be expended by DHS, in compliance with the requirement that TANF monies be expended by DHS.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Establishing provisions for the receipt and expenditure of federal TANF funds when the Legislature is not in session;
- (2) Appropriating \$1,191,058 in general funds for the Chore Services Program;
- (3) Appropriating \$600,000 in TANF funds for the Literacy Program;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2258, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2258, H.D. 1, S.D. 2, C.D. 1.

Representatives Sonson, Takamine, Carroll and Finnegan.
Managers on the part of the House.
(Representative Carroll was excused.)

Senators Chun Oakland, Taniguchi, Tsutsui and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 241-06 on H.B. No. 2878

The purpose of this bill is to diversify Hawaii's economy by authorizing the issuance of special purpose revenue bonds for Tradewinds Forest Products, LLC, to process eucalyptus timber on the Big Island by constructing a veneer mill and cogeneration facility.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2878, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2878, H.D. 1, S.D. 1, C.D. 1.

Representatives Karamatsu, Takamine and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Kokubun, Espero, Taniguchi and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 242-06 on H.B. No. 2806

The purpose of this bill is to appropriate funds for the Auditor to prepare the Hawaii 2050 Sustainability Plan.

Your Committee on Conference has amended this bill by:

- (1) Making an appropriation of \$650,000 specifically for the Hawaii 2050 Sustainability Task Force (Task Force) to:
 - (A) Conduct valuable policy analyses;
 - (B) Gather vital research and data;
 - (C) Conduct broad community outreach and solicit input from all sectors; and
 - (D) Launch an effective public education and media campaign to educate, engage, and inspire community participation;
- (2) Making an appropriation of \$50,000 specifically for the Task Force to conduct an assessment of the feasibility and benefits of establishing "Hawaii" as a brand name with values that will support diverse products;
- (3) Amending the purpose section to reflect the changes in paragraphs (1) and (2); and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2806, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2806, H.D. 1, S.D. 2, C.D. 1.

Representatives Karamatsu, Yamane and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Kokubun, Taniguchi, Hooser and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 243-06 on H.B. No. 3036

The purpose of this bill is to provide for prompt payment to a subcontractor or materialman once they complete their work under a contract for government projects. Specifically, this bill establishes a process for prompt payment in government contracts by:

- (1) Requiring the Procurement Officer (PO), within 30 days, to pay the contractor all sums retained or withheld from the subcontractor and otherwise due to the subcontractor for satisfactory performance under the subcontract;
- (2) Requiring the contractor to pay the subcontractor within ten days of receipt of payment by the PO, provided that:
 - (A) The subcontractor provides evidence of completion in the form of a "properly documented payment request" and an acceptable performance and payment bond;
 - (B) A period of 90 days after the day on which the last of the labor was completed has elapsed without written notice of a claim; and
 - (C) The subcontractor has provided to the contractor an acceptable release of retainage bond, executed by a surety company in an amount not more than two times the amount being retained or withheld by the contractor.

Your Committee on Conference has amended this bill by:

- (1) Permitting the contractor or subcontractor to retain a percentage of not more than ten percent of each progress payment without incurring late payment interest penalties;
- (2) Where there is no agreement between the parties and if the change order is:
 - (A) Less than or equal to \$50,000, allowing contract price adjustments of 20 percent of the actual costs for overhead and profit and specifying that there is no cap to total cost of work when this method is used; or
 - (B) More than \$50,000, allowing contract price adjustments of 20 percent of the actual costs for overhead and profit when a unilateral determination has been made;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3036, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3036, H.D. 1, S.D. 2, C.D. 1.

Representatives Karamatsu, Herkes, Chong and Marumoto.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Menor, Taniguchi, Baker, Espero and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 244-06 on H.B. No. 3118

The purpose of this bill is to encourage businesses to recognize, as corporate interests, the interests of employees and of the public by allowing businesses to incorporate as a Responsible Business Corporation.

Your Committee on Conference has amended this bill by deleting its contents and replacing it with provisions that:

- (1) Establish the Responsible Corporation Task Force within the Department of Commerce and Consumer Affairs (DCCA), responsible for:
 - (A) Determining how to authorize the establishment of corporations structured to recognize, as corporate interests, the interests of employees, the public, environment, and consumer protection;
 - (B) Identifying incentives for incorporation as responsible corporations;
 - (C) Conforming provisions for the establishment and operation of responsible corporations to existing Hawaii law on corporations; and
 - (D) Determining a timetable for DCCA to implement the registration of responsible business corporations;
 and
- (2) Take effect upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3118, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3118, H.D. 1, S.D. 1, C.D. 1.

Representatives Karamatsu, Herkes, Chong and Marumoto.
Managers on the part of the House.
(Representative Marumoto did not concur.)

Senators Menor, Taniguchi, Espero, Fukunaga, Tsutsui and Hogue.
Managers on the part of the Senate.
(Senator Hogue did not concur.)

Conf. Com. Rep. 245-06 on H.B. No. 3261

The purpose of this bill is to protect the intellectual property rights of Hawaii's talented intellectual community by establishing the Hawaii Ingenuity Corporation (Corporation), a single entity responsible for:

- (1) Holding and using intellectual property;
- (2) Promoting and providing opportunities for innovation education;

- (3) Raising labor and environmental standards;
- (4) Assisting inventors with businesses; and
- (5) Collectively bargaining on behalf of inventors.

Your Committee on Conference has amended this bill by:

- (1) Adding language stating that in the case of conflicts between this chapter and chapter 414, Hawaii Revised Statutes, regarding corporations and partnerships, this chapter shall prevail;
- (2) Changing the effective date from July 1, 2050, to upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3261, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3261, H.D. 1, S.D. 2, C.D. 1.

Representatives Karamatsu, Waters, Wakai and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Espero, Taniguchi, Fukunaga and Tsutsui.
Managers on the part of the Senate.
(Senator Tsutsui was excused.)

Conf. Com. Rep. 246-06 on H.B. No. 3060

The purpose of this bill is to encourage small companies and researchers at nonprofit research institutes to work together in moving laboratory-developed technologies to the marketplace and to foster technology-based economic development by:

- (1) Authorizing the High Technology Development Corporation (HTDC) to provide grants to local businesses that receive a federal Small Business Technology Transfer Program award or grant or apply for a Small Business Innovation Research federal grant or Small Business Technology Transfer Program federal grant; and
- (2) Appropriating funds to HTDC to increase the funding levels necessary to meet the current needs of the Hawaii Small Business Technology Transfer Grant Program and Phase 0 Competition Assistance Program.

Your Committee on Conference has amended this bill by:

- (1) Adding a purpose section;
- (2) Authorizing the High Technology Innovation Corporation (HTIC) to establish operational bank accounts in out-of-state locations, including foreign denomination accounts, until June 30, 2011;
- (3) Exempting HTIC from Chapter 36, Hawaii Revised Statutes (HRS), relating to the management of state funds, and Chapter 38, HRS, relating to deposits of public funds;
- (4) Appropriating \$200,000 to increase funding levels necessary to meet the current needs of the Hawaii Small Business Innovation Research Assistance Program and the proposed Hawaii Small Business Technology Transfer Grant Program and Phase 0 Competition Assistance Program;
- (5) Changing the effective date to July 1, 2006; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3060, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3060, H.D. 1, S.D. 2, C.D. 1.

Representatives Karamatsu, Yamashita and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Fukunaga, Espero, Taniguchi and Hogue.
Managers on the part of the Senate.
(Senator Taniguchi was excused.)

Conf. Com. Rep. 247-06 on H.B. No. 2419

The purpose of this measure is to enhance the revenue monitoring and collecting capabilities of the Department of Taxation.

Specifically, the measure:

- (1) Establishes the Integrated Tax Information Management Systems Special Fund to receive revenues from the integrated tax information management systems post-implementation revenue-generating initiatives;
- (2) Provides that moneys in the Integrated Tax Information Management Systems Special Fund will be used to pay for the integrated tax information management systems of the Department of Taxation; and
- (3) Adopts amendments to Hawaii tax laws to implement the Streamlined Sales and Use Tax Agreement.

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

- (1) Making numerous amendments to the Integrated Tax Information Management Systems part of the measure to further refine and augment the Department of Taxation's ability to modernize its tax information management systems through the use of innovative funding mechanisms to partner with private sector vendors providing such services;
- (2) Renaming the Integrated Tax Information Management Systems Special Fund the Integrated Tax Services and Management Special Fund and expanding the purposes for which it may be used as follows:
 - (A) Authorizing the special fund to be utilized to fund the State's cost in implementing the county surcharge on state tax adopted pursuant to section 46-16.8, Hawaii Revised Statutes; and
 - (B) Authorizing the special fund to be utilized to fund costs associated with implementing a streamlined sales and use tax adopted pursuant to chapter 255D, Hawaii Revised Statutes;
- (3) Appropriating \$13,300,000 in general funds into the Integrated Tax Services and Management Special Fund, placing expenditure caps on each purpose for which the special fund is to be used, and requiring the special fund to repay the general fund by June 30, 2007;
- (4) Making numerous technical nonsubstantive amendments to the Streamlined Sales and Use Tax Agreement implementation part of the measure for the purposes of clarity and style;
- (5) Inserting specific dollar amounts for each appropriation section; and
- (6) Providing for the phasing in and repeal of the various components of the measure as they relate to when each tax management component is to be effective (integrated tax information management systems contracts, county surcharge on state tax, and Streamlined Sales and Use Tax Agreement implementation).

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2419, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2419, H.D. 1, S.D. 3, C.D. 1.

Representatives Karamatsu, Herkes and Takamine.
Managers on the part of the House.
(Representative Herkes was excused.)

Senators Fukunaga, Taniguchi, Ige and Inouye.
Managers on the part of the Senate.

Conf. Com. Rep. 248-06 on H.B. No. 957

The purpose of this bill is to expand state individual income tax brackets for those filing as:

- (1) Single or married filing separately;
- (2) Joint and qualified widows;
- (3) Head of households; and
- (4) Taxed imposed on estates and trusts;

to bring the tax laws more in line with the economic realities of the high cost of living in Hawaii and to bring long-term tax relief to low- and middle-income families.

Your Committee on Conference has amended this bill by increasing each bracket uniformly by 20 percent for those filing as:

- (1) Single or married filing separately;
- (2) Joint and qualified widows; and

- (3) Head of households.

Your Committee on Conference has also amended this bill by:

- (1) Deleting the amendments made for tax imposed on estates and trusts;
- (2) Raising the standard deductions to equal approximate 40 percent of the federal standard deduction;
- (3) Providing a one-time flood victims' income tax credit.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 957, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 957, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Kawakami, Nakasone and Moses.
Managers on the part of the House.

Senators Taniguchi, Inouye, Espero, Fukunaga, Tsutsui and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)